

EMPLOYER INSTRUCTION MANUAL

COLLEGE PENSION PLAN

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INTRODUCTION

WELCOME TO THE EMPLOYER INSTRUCTION MANUAL

College Pension Board of Trustees

The College Pension Board of Trustees is responsible for administering the pension plan and managing the pension fund. The board consists of 10 people appointed by plan member partners and plan employer partners, and a chair appointed by the board members.

The board's duties include establishing investment policy, recommending changes in benefits and funding policy, and directing the application of plan rules. The board appoints an independent actuary to assess the plan's financial health every three years through an actuarial evaluation.

Plan rules

A copy of the *College Pension Plan Rules* is available on the plan's website at college.pensionsbc.ca. Copies of legislation affecting the College Pension Plan, such as the *Public Sector Pension Plans Act* (PSPPA), the *Pension Benefits Standards Act* (PBSA), and *Income Tax Act* (ITA) (Canada), are available from the appropriate authorities.

BC Pension Corporation

The British Columbia Pension Corporation was established on April 1, 2000 under the *Public Sector Pension Plans Act*. We serve some of the largest pension plans in Canada, representing more than 1,100 employers and over 560,000 active and retired members.

Duties of the corporation

The corporation acts as the administrative agent for the College Pension Board of Trustees (the board). Services provided to the pension plan include:

- enrolling employers and employees,
- collecting and recording service, salary, contributions and other information from employers and plan members,
- providing information about plan rules and benefits to employers and plan members,
- calculating and processing pension benefits,
- paying benefits to members,
- filing documentation with appropriate tax and pension regulators, and
- providing policy advice and secretariat services to the board.

Pension plan website

The corporation maintains the plan's website at college.pensionsbc.ca. Through this website, we provide considerable public information as well as information and services that require the use of a username and password (secured web services).

Employers

From the employer website sign-in page, you will be able to access Web Services, employer enrolment and the *Employer Instruction Manual*.

Once signed in to the secure employer website, you will be able to access employer news and education, forms, the *Employer Instruction Manual*, and the employer reporting tools in the Employer Portal.

In the secure Employer Portal, you will find reporting tools and resources, including:

- Employer Reporting (including Data Submission, Plan Member Record Electronic Form, File Pick-up, LTD Start/Stop, LTD Policy Validation and reporting instructions)
- Message Board
- User Management

- View Member Data
- E-Remittance.

Members (My Account)

Members can register for My Account by selecting “my account” from the top menu, then “Register” under the Sign in help. They will need the last three digits of their SIN and their Person ID number (unique identification number) from their Enrolment confirmation statement or most recent *Member’s Benefit Statement*.

My Account uses 2-step verification to enhance member security. When a member enters their username and password, a one-time code is emailed to them. Members must enter that code within 10 minutes, to verify their identity and proceed to My Account.

Within My Account, members are able to:

- update personal sign in information,
- view personal information, including their service and salary history, and recent *Member’s Benefit Statements*,
- view or change their beneficiary(ies),
- use the personalized purchase cost estimator,
- use the personalized pension estimator,
- scan and upload proof of age and identity documents,
- apply for retirement,
- contact the pension plan securely using *Message Centre*, and
- check the status of their requests in *View your requests*.

Resources and publications

College Pension Plan Rules

A copy of the *College Pension Plan Rules* is available from the plan’s website at college.pensionsbc.ca.

Annual Report and Report to Members

A copy of the board’s *Annual Report* is available to members and retired members on the plan’s website. A summary version, the *Report to Members*, is produced for distribution to plan members who receive a *Member’s Benefit Statement*.

Employer instruction manual

We provide the *Employer Instruction Manual* to help employers administer the pension plan for their employees who are plan members. Manual sections are updated periodically. Check the employer website for updates.

Bulletins and newsletters

The Pension Corporation publishes a monthly, online employer newsletter with information about the pension plan and data reporting. Emails are sent to employers if information is time sensitive or it is for a small group of employers.

Employer bulletins provide detailed information on a topic, when necessary. They are shared in an issue of the employer newsletter or an email.

The corporation publishes [Pension Life](#) for retired members.

Member's Benefit Statements

Member's Benefit Statements are produced every year, showing the member's pension account. We will ask you how you would prefer these statements be distributed.

Additional information for members and employers

The College Pension Plan provides the [Guide for Plan Members](#) and other resources for members (e.g., information about health benefits, death benefits, etc.) available at college.pensionsbc.ca.

Other information

Other resources, such as information for retired members and archived annual reports, are available from the website at college.pensionsbc.ca.

Using the instruction manual

There are 10 major sections:

1. Enrolment
2. Purchasing Service
3. Termination of Employment
4. Retirement
5. Pre-retirement Death
6. Short-term Disability and Long-term Disability
7. Reporting
8. Remitting Contributions
9. PAs, E-PAs, PSPAs, APAs & PARs
10. Division of Benefits on Marital Breakdown

In this manual, “you” means the employer and “we” and “us” mean the Pension Corporation.



Forms

You can download forms from college.pensionsbc.ca.

College Pension Plan Employers

The *College Pension Plan Annual Report* has a complete list of employers with the plan. The annual report is available at college.pensionsbc.ca.

Contacting the BC Pension Corporation

Mailing address

College Pension Plan
PO Box 9460
Victoria BC V8W 9V8

Location

2995 Jutland Road
Victoria BC V8T 5J9

Employer Operations (EO)

EO is responsible for all aspects of current data reporting in all pension plans, including: enrolment of new members; changes to members' personal and employment records; payroll reporting of contributions, salary and service data; and production of pension adjustments. Contact information for EO follows.

Employer Operations (all plans)

Toll-free: 1-855-356-9701 (Canada/U.S.)

Fax: 250-356-1784

Email: employer.services@pensionsbc.ca

Client Education Program (CEP)

CEP is responsible for member and employer education programs. In addition to the free eLearning course and webinars we offer plan members, we are offering you an opportunity to host a webinar for your employees. Contact information for CEP:

Toll-free: 1-877-558-5573 (BC)

Fax: 250-953-0415

Email: CPPeducation@pensionsbc.ca

Member Services

Member Services serves both plan members and plan employers. They are responsible for service requests regarding termination of employment, retirement, death of a plan member, and service purchases. Contact information for each plan is as follows:

College Pension Plan

Toll-free: 1-888-440-0111 (Canada/U.S.)

Fax: 250-953-0412

Member Services (other plans)

Municipal Pension Plan

Toll-free: 1-800-668-6335 (Canada/U.S.)

Fax: 250-953-0421

Public Service Pension Plan

Toll-free: 1-800-665-3554 (Canada/U.S.)

Fax: 250-953-0425

Teachers' Pension Plan

Toll-free: 1-800-665-6770 (Canada/U.S.)

Fax: 250-356-8977

WorkSafeBC Pension Plan

Toll-free: 1-888-440-0111 (Canada/U.S.)

Fax: 250-953-0433

Retired members

Contact information for retired members.

Fax: 250-953-0431 (all plans)

College Pension Plan

Toll-free: 1-866-322-8277 (Canada/U.S.)

Retired members (other plans)

Municipal Pension Plan

Toll-free: 1-866-876-6677 (Canada/U.S.)

Public Service Pension Plan

Toll-free: 1-866-876-6777 (Canada/U.S.)

Teachers' Pension Plan

Toll-free: 1-866-876-8877 (Canada/U.S.)

WorkSafeBC Pension Plan

Toll-free: 1-866-322-9277 (Canada/U.S.)

Rates, contributions and remittances

Employer Operations manages employer contribution rates, employer contribution remittances and other employer billings and payments.

Phone: 250-387-8295

Email: employer.services@pensionsbc.ca

Publications (all plans)

Toll-free: 1-800-663-8823 (Canada/U.S.)

Fax: 250-356-9591

Email: penc.orderproducts@pensionsbc.ca

BC Pension Corporation reception

Phone: 250-387-1002

Email: penc.reception@pensionsbc.ca

Disclaimer

Rules and employer process information in this instruction manual may be subject to change without notice. We will provide you with updated material as rules and/or processes change. Check our website often to confirm that you have up-to-date information before advising your employees on any pension-related matters.

Material contained in this manual applies specifically to the College Pension Plan. If you administer more than one pension plan for your employees, please ensure that you apply the correct plan's rules.

In the event of a conflict between the information contained herein and the plan rules, the plan rules shall apply.

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1 ENROLMENT

1.1 Enrolling your employee

Enrolment is based on eligibility rules outlined in this chapter.

Once you have determined that an employee is eligible to join the pension plan, you will need to follow the enrolment process.

If you fail to enrol employees as soon as they become eligible to contribute to the plan and they have not signed the *Waiver of Pension Coverage* form, then you will be required to pay the employer's portion of the arrears. See section 2.4.

You are responsible for providing your employee with pension plan information. Your employee can also obtain information from the plan's website, college.pensionsbc.ca.

Once becoming a member of the pension plan, the employee must continue to contribute until termination of employment or the end of the year they turn 71. This means your employees aged 71 may continue working without interruption, but you must stop collecting pension contributions from them.

1.1.1 Member education

The corporation offers a free, eLearning course for new or potential members and webinars aimed at mid-career plan members and those approaching retirement. Members can find a description of the course and webinars on the plan's site, college.pensionsbc.ca. There, they can also access eLearning.

The webinars are regularly scheduled or may be requested by employers and employer/employee associations. The schedule and application are accessed via the secure employer site. All members are welcome to attend the webinars, including those receiving a benefit under an LTD plan.

See section Section 4.1 Eligibility for a pension for more information.

1.1.2 New employees

For plan purposes, a contract employee who is paid directly by an employer and from whom deductions to CPP, EI or other regular employment deductions are made is considered an employee.

It is important for you to know that contract workers are eligible to enrol in the plan where an employer/employee relationship exists. If you need assistance in determining if an employer/employee relationship exists, consult your legal counsel or the CRA website.

Note that we will advise your new employee if they have service with another pension plan administered by the Pension Corporation: Municipal Pension Plan, Public Service Pension Plan, Teachers' Pension Plan and WorkSafeBC Pension Plan, which they may be able to transfer to the College Pension Plan. (See section 2.8 for more information on transferring service.)

Mandatory enrolment

Employees who meet the following criteria must be enrolled and cannot sign a waiver:

- full-time senior administrative staff members,
- full-time employees, including librarians and continuing education instructors, who provide educational services to students,
- part-time senior administrative staff members who earn, in any calendar year, a salary that exceeds 50 per cent of the year's maximum pensionable earnings (YMPE),
- new employees who are already contributing to the plan through another College Pension Plan employer,
- existing employees who begin contributing to the plan through another College Pension Plan employer,
- part-time employees who provide educational services to students, including librarians and continuing education instructors, who earn, in any calendar year, a salary that exceeds 50 per cent of the YMPE.

Optional enrolment

Some employees are eligible to enrol in the plan, but they choose to opt out. To exercise that choice, they must sign a waiver. An employee who does not sign a waiver must be enrolled immediately.

An employee who waives optional enrolment but later meets the criteria for mandatory enrolment must be enrolled immediately.

Employees who qualify for optional enrolment include:

- part-time senior administrative staff members who do not meet mandatory enrolment criteria, and
- part-time employees who provide educational services to students, including librarians and continuing education instructors, who do not meet mandatory enrolment criteria.

Enrolment in the plan is mandatory for any employee who earns in excess of 50 per cent of the YMPE in a calendar year.

The following example illustrates the application of the plan rule:

2009 YMPE = \$46,300

2010 YMPE = \$47,200

2011 YMPE = \$48,300

EXAMPLE

The employee is hired on February 1, 2009 and they sign a waiver. Their earnings are as follows:

2009 Earnings = \$17,000

2010 Earnings = \$22,150

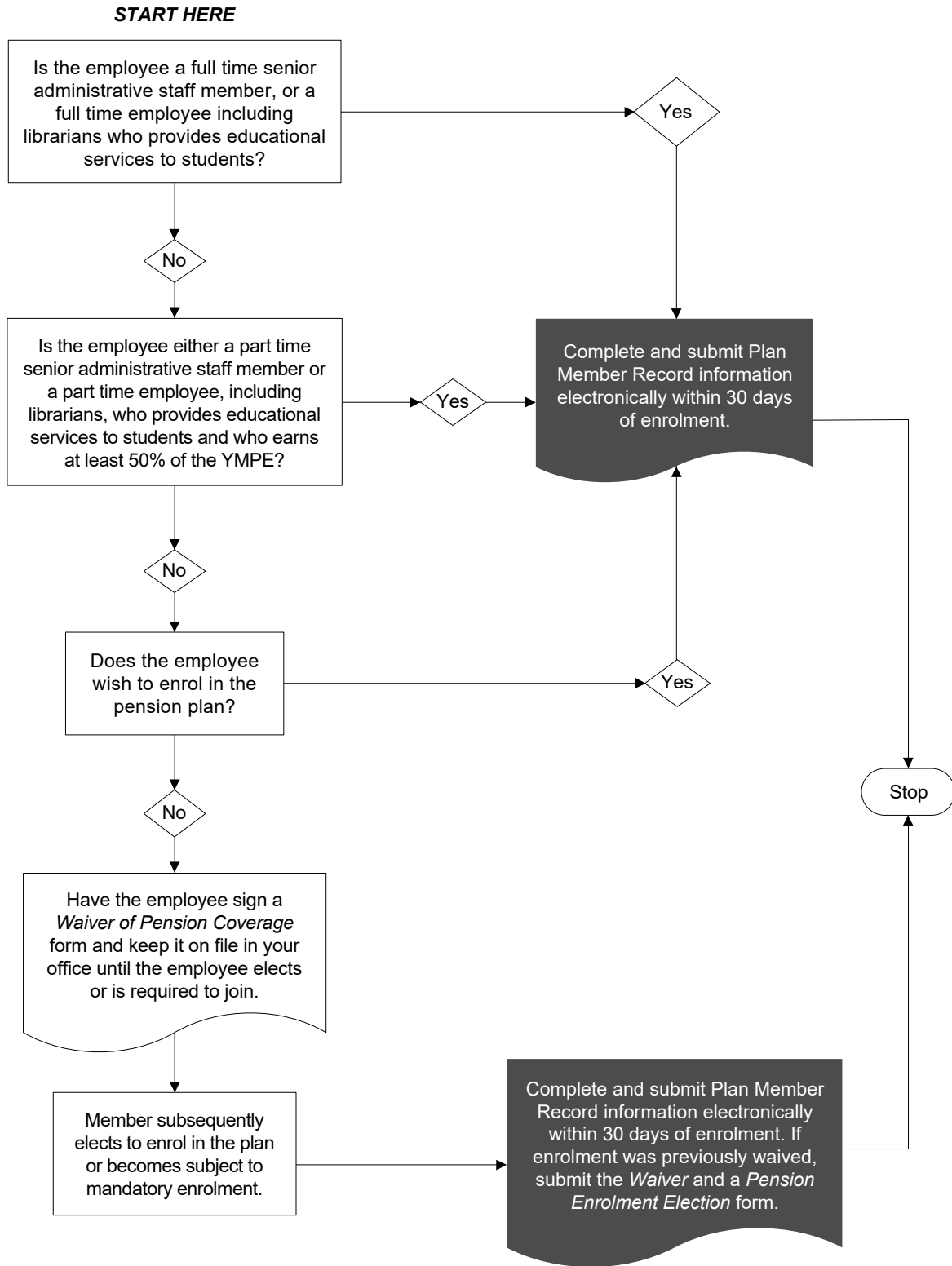
2011 Earnings = \$24,180 year to date (YTD)

This employee reached 50 per cent of the YMPE in 2011 and must be enrolled in the plan.

To comply with the optional enrolment rules, you must obtain a written waiver from all new employees who:

- are not already enrolled in the College Pension Plan,
- are eligible but not required to enrol, and
- do not want to be enrolled.

Enrolment



1.1.3 Once a contributor, always a contributor

Once employees begin to contribute to the plan, they must continue to contribute regardless of any change in their employment status (full- or part-time). These conditions apply provided that there is no termination of employment.

Note that if a member:

- is on vacation,
- is on approved leaves of absence (including sick leave),
- is on short term disability (STD) or long term disability (LTD) under an LTD plan, or
- stopped working but has made an agreement or retains a right (including if the member is on a recall or a seniority list) to resume employment, and
- has made a contribution within one year,

this does not constitute termination of employment for pension plan purposes.

If your new employee earns less than 50 per cent of the year's maximum pensionable earnings in a calendar year, we will provide a reasonable administrative window for you so that your new employees may exercise their option to waive enrolment. We are prepared to reverse the enrolment of a new member if we receive a copy of the written waiver within 30 days of the member's initial eligibility date. If this occurs, you must contact Employer Operations through the message board providing an explanation and attaching a copy of the signed waiver. See section 7.2.1.1 for further information on using the message board.

Once a contributor,
always a contributor.

Outside of this administrative window, the normal "once a contributor, always a contributor" rule applies and enrolment cannot be reversed.

If employment is terminated and the employee is rehired, you must apply enrolment criteria for the employee to become an active plan member again.

1.1.4 Employee “declaration of employment”

To avoid a possible arrears situation, employers should provide plan information to employees when they are hired so they can determine when they might qualify for membership. It is strongly recommended that all new hires—full-time, part-time, auxiliary or casual—be required to sign a declaration indicating that the employee understands their responsibility to inform the employer should they qualify for plan membership through service with another plan employer.

To collect this employee information and signature, you may wish to create a form such as the one below.

Employee “declaration of employment”

1. Are you currently an active member of the plan? An active member can be on a leave of absence, long term disability, or on a recall list. You do not have to be currently contributing to be considered an active member. Y/N
2. Are you currently receiving a retirement benefit from the plan? Y/N
3. I have been provided with an explanation or summary of the pension plan, and of the relevant entitlements and obligations under the pension plan. Y/N
4. I understand how I may combine service and earnings with more than one plan employer to qualify for membership in the plan. Y/N
5. I understand that I must inform my employer if I begin contributions with another plan employer. If I do not inform my employer, enrolment arrears will be billed to me and my employer. I understand I have five years from receiving the notice of arrears or until termination of employment (whichever is earlier) to apply to purchase the arrears period. I understand I have 30 days after termination of employment to apply to purchase service, even if I have become re-employed with another employer under the College Pension Plan. Y/N

Name (please print) _____

Signature _____ Date _____

1.1.5 Employee elects to enrol after waiving

Elects to enrol

You need to submit three forms for employees who elect to enrol after waiving.

Eligible employees who elect not to participate in the plan may later elect coverage under the plan by applying to you for coverage. Enrolment in such cases cannot be backdated. Election of pension coverage is effective the first pay period following the date of application to become a member, and it cannot be cancelled.

If your employee who previously waived enrolment later elects coverage under the plan, provide us with the following:

- a copy of the employee's previously signed *Waiver of Pension Coverage* form,
- a *Pension Enrolment Election* form, and
- a Plan Member Record.

You must complete and submit Plan Member Record information electronically within 30 days of enrolment. See section 7 for information on reporting salary, service and contributions.

Subject to mandatory enrolment

You need to submit two forms for employees whose enrolment becomes mandatory after previously waiving.

If employees who had previously waived enrolment later become subject to mandatory enrolment, you must enrol them. Submit Plan Member Record information electronically within 30 days of enrolment and send a copy of their previously signed waiver form to us.

1.1.6 Employer obligation to provide information

The Guide for plan members contains valuable information that will help your employees learn about plan membership and their pension, which is a provincial legislative requirement of the *Pension Benefits Standards Act* (PBSA).

To meet this legislative requirement, you must provide a paper copy of the guide to your employees on or before their employment date, or at least 30 days before they become eligible to join the plan. A print icon can be found at the bottom of each web page.

Alternatively, you may provide an electronic copy of the guide to your employees. If you choose to do so, you must provide clear, written instructions, which includes the following information:

- where your employees can access the guide (as noted below), and
- if, at any time, they request a paper copy, you must provide it to them.

You can access the guide on the plan's website at college.pensionsbc.ca by entering the search term “guide for plan members” and then clicking Guide for plan members.

You must communicate to your employees when and how they become eligible to enrol. Once an employee is eligible, you must advise them whether their enrolment in the plan is mandatory or optional, and, if enrolment is optional, advise employees that they must provide written waivers if they elect not to contribute. An employee cannot waive enrolment with you if they are an active member through another College Pension Plan employer. You can check an employee's status using the Member Validation tool (see section 1.1.9).

As an employer under the College Pension Plan, it is your responsibility to:

- use the Member Validation tool to determine whether a new employee is already an active plan member,
- explain and provide information to all employees who are not already active members of the pension plan on how to qualify for membership, and
- track each employee's service and earnings with your organization to determine when they qualify for enrolment in the plan based on their service and earnings.

In accordance with section 80 of the *College Pension Plan Rules*, employers must provide us with complete, accurate and timely enrolment information about members. This is necessary for us to administer the plan in accordance with the PBSA.

The Pension Corporation sends Welcome to the Plan enrolment packages to new plan members whom you have enrolled in the plan. Sometimes, these packages are returned to us by Canada Post because of an incorrect address. Twice a month, the returned packages will be bundled and sent to you. You must distribute the returned packages to the respective employees and provide us with their correct addresses.

You can update employee contact information using the Plan Member Record (PMR) Electronic Form or any of the other electronic methods detailed in section 7.5.

1.1.7 *Waiver of Pension Coverage form*



An eligible employee who elects not to contribute must complete the *Waiver of Pension Coverage form*. The signed form is not sent to the Pension Corporation at this time—it is kept on the employee’s file. A copy goes to the employee.

Contributions are not deducted for employees who waive their right to contribute.

1.1.8 *Pension Enrolment Election form*



If your employee waives their right to contribute and later chooses to begin contributions, they must complete a *Pension Enrolment Election form* (see section 1.1.4 for required forms). Contributions cannot be retroactive—they must begin no earlier than the date the *Pension Enrolment Election form* is signed. Members cannot purchase service for which they waived enrolment on or after September 1, 1999 (see section 2 for information on purchasing service). Failure to obtain a waiver signed on or after September 1, 1999 may result in enrolment arrears.

You should have the employee read both sides of the form and you and your employee should complete it together. Make copies for you and your employee. Submit the original to us. Once an employee elects to join the plan, they must continue to contribute until they terminate employment.

1.1.9 Plan Member Record (PMR)

You must complete and submit Plan Member Record information electronically within 30 days of enrolment for every employee who becomes eligible and begins contributing to the pension plan. Plan Member Records must be submitted electronically through the Employer Portal. Click *Employer Reporting > Plan Member Record Electronic Form*. Please see section 7.5.1, Reporting Plan Member Record information, for more information about submitting your PMRs.

A PMR (as well as a *Pension Enrolment Election* form and a copy of the *Waiver of Pension Coverage* form) must be completed and submitted for a member who previously waived their right to contribute and has now asked to be enrolled.

Occasionally, you may have an employee who is eligible and contributes to two different pension plans within your organization (this can happen if you have an employee who works at two jobs covered by different pension plans, e.g., College and Municipal plans). In this event, you will need to apply the appropriate plan's enrolment rules (i.e., service in the Municipal plan would not be used to determine eligibility for enrolment in the plan, and vice versa). Submit separate PMRs for the employee's enrolment in each of the pension plans.

If you are enrolling a group of employees, you have the option of using a report instead of submitting an individual PMR for each employee. Please see section 7.5.1, Reporting Plan Member Record information, for more information.

1.1.10 Member Validation tool

The Member Validation tool is available through the Employer Portal. Click *Employer Reporting > Plan Member Record Electronic Form*. By entering the employee's SIN, you can check if a new employee is an active pension plan member through another plan employer and whether they should be enrolled. If you have existing employees that are not contributing, you can also check if they are contributing through another employer.

1.1.11 Enrollment Report tool

The Enrollment Report tool is now available through the Employer portal. Click *Employer Reporting* along the dashboard, go to *Plan Member Record*, then under actions click *Enrollment Report*. Enter any start and end date parameters, going as far back as the organization's effective date with the Plan, to generate a historical list of active and terminated employees (who have not taken a benefit) with the organization. You can also filter the columns of data to suit your needs.

1.2 Determining a member's beneficiary(ies)

The College Pension Plan pays benefits to a plan member's beneficiary(ies) when the member dies prior to receiving a benefit from the plan. Known as a "pre-retirement death benefit," the benefit is payable to the beneficiary(ies) of a member who dies:

- while an active plan member, or
- after terminating employment, but who has not yet received a benefit from the plan (i.e., does not take a termination benefit and has not started receiving a retirement benefit).

The benefit payable to the beneficiary(ies) is determined in part by who the plan member's beneficiaries are. See section 5 for more information.

With a spouse

If the plan member has a spouse, the spouse is automatically the member's beneficiary. The plan member does not have to complete a *Nomination of Beneficiary* form.

A member's spouse can waive entitlement to the pre-retirement death benefit by completing a *Spouse's Waiver of Beneficiary Right to Benefits in a Pension Plan, Locked-in Retirement Account, Life Income Fund or Annuity Before Payments Start* form and the member can then designate another beneficiary(ies).

Without a spouse

Members without a spouse (or a spouse who waives entitlement by completing a *Spouse's Waiver of Beneficiary Right to Benefits in a Pension Plan, Locked-in Retirement Account, Life Income Fund or Annuity Before Payments Start* or who have a separation agreement, a divorce decree or court order) can nominate

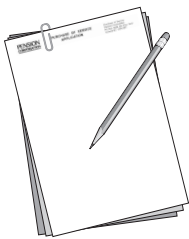
- a person other than the member's spouse,
- a trust,
- an organization such as a charity or society, or
- the member's estate.

A member can nominate multiple beneficiaries with designated shares, and alternates. For more information, see college.pensionsbc.ca/name-or-change-a-beneficiary-before-retirement.

Members can change their beneficiary any time prior to death by filing a new *Nomination of Beneficiary* form.

If the member has no spouse (or the spouse has waived entitlement), and we don't have a valid *Nomination of Beneficiary* form, the benefit will be paid to the member's estate.

1.2.1 Nomination of Beneficiary form



To nominate a beneficiary(ies) other than their spouse, the member should sign in to My Account at college.pensions.ca. Without a nomination, the member's benefit will be paid automatically to their spouse or, for members without a spouse, their estate.

For more information about nominating beneficiaries before and after retirement, visit the plan website:

- [Nominating beneficiaries before retiring](#)
- [Nominating beneficiaries after retiring](#)

1.3 Transferring pension rights

See section 2.7 for more information on pension transfer agreements.

If your employee worked for an employer covered by a pension transfer agreement, you should treat these members as new employees, subject to College Pension Plan enrolment rules.

1.4 Enrolment in the wrong pension plan

A number of employers who participate in pension plans administered by the Pension Corporation have membership in more than one pension plan.

Occasionally, an employer may enrol an employee in a pension plan and find out later that the employee should have been enrolled in a different plan. This can happen, for example, when an employee who should be enrolled in the plan is enrolled in the Municipal plan. In most cases, the correction can be completed through the remittance process. However, in cases where data has been posted to an account, there will be arrears owing in the plan the member *should* have been enrolled in and an ineligible refund payable from the plan they were incorrectly enrolled in.

1.5 Re-employment of retired members

If a retired member—in this case, a person who retired from a College Pension Plan employment and is receiving a College retirement benefit—returns to work, they continue receiving their retirement benefit and do not enrol in or contribute to the plan.

If an employee is receiving a retirement benefit from a different pension plan, or is receiving a pension as a survivor of a deceased member, regular College Pension Plan enrolment rules apply.

1.6 Concurrent employment

If a member accrues more than 12 months of pensionable service in a calendar year, and that service is accrued with one employer, the employer may cap the member's annualized lowest-paid salary, service and contributions at 12 months and only remit contributions on the salary associated with the 12 months of service.

If a single employer does report more than 12 months of pensionable service and salary for a member, the College Pension Plan will cap the annualized lowest-paid salary, service and contributions at 12 months, and we will refund contributions in excess of 12 months of service. Salary and service associated with the refunded contributions will be removed from the member's account. See section 7.3.3.6 for more information.

1.7 Gender identity

Pension Corporation collects gender information for plan administration. Gender information is fundamental as actuaries use this data to help determine the life expectancy of members and whether a pension plan is sufficiently funded.

Members who do not identify as female or male may identify as X. Both the provincial and federal governments allow individuals to change their gender designation to X on government-issued identification such as BC birth certificates, BC driver's licenses, passports and permanent resident cards. In other provinces and territories, individuals may also indicate their gender as X on government identification.

A member updating their gender identity is not required to provide documentation.

The X gender designation recognizes that sex and gender are different concepts that aren't interchangeable.

- "Sex" refers to a person's biological and physiological characteristics, such as male.
- "Gender" refers to how a person feels internally (e.g., a man), and/or the gender a person publicly expresses in their daily life (e.g., at work, while shopping, at home). A person's current gender may differ from the sex they were born and

may differ from what is indicated on their current legal documents. A person's gender may change over time.

1.8 Proof of age and identity

Before receiving a benefit, a plan member must supply the Pension Corporation with proof of age and identity documents. Any spouse or person beneficiary who receives a benefit must provide proof of age and identity as well. A CRA number must be provided for an organization beneficiary.

These documents can be provided at any time prior to receiving a benefit, but we recommend that they be provided at the time of enrolment for the member and the member's spouse.

If documents are in a foreign language, translation may be required. The cost of translation is the member's responsibility. The translator must not be a member of the member's family, and must sign and date the translated document.

1.8.1 Providing the documents

Clear and legible copies of original documents must be provided. The member may submit copies of original documents by mail or upload electronic copies by logging into My Account.

Note that foreign passports and driver's licences must be certified true copies.

Original documents must not be submitted because of the risk of loss or damage and the cost of returning the documents by registered mail.

EXAMPLE

A clear, legible copy of one of these documents is acceptable:

- current Canadian driver's licence
- *BC Driver's Licence and Services Card*
- BC identification card
- *BC Services Card*
- Birth certificate
- Canada Border Services Agency Nexus membership card
- Canadian passport (must be valid and unexpired)
- Canadian citizenship or immigration papers
- Certificate of Indian Status card
- Certificate of Registration of Birth Abroad (RBA)—*document issued by Citizenship and Immigration Canada to Canadian Parents of children born abroad between 1947 and 1977*
- Marriage Certificate (if the date of birth is recorded on the document)
- Ontario Health Card
- Permanent Resident Card (PRC) (must be valid and unexpired)
- **Foreign passport or driver's licence** (must be a certified true copy of a valid, unexpired document)

If the member's name has changed, we require a clear copy of one of the above documents showing the member's current name, or all of their legal change of name documents or marriage certificate(s).

Contact us for acceptable alternative documents if the member's original documents are unavailable. There will be a delay in processing the member's plan benefit if their forms are not completed fully or if documents are missing.

Enrolment checklist

Remember to...

- ☑ Provide your employee with access to the [Guide for Plan Members](#).
- ☑ Advise your employee about the enrolment rules. Have them sign a waiver if they choose not to enrol.
- ☑ Get the employee to sign an *Enrolment Election* form if they choose to enrol at a later date.
- ☑ Ask your employee if they are already retired and receiving a College retirement benefit (see section 1.5).
- ☑ Use the Member Validation tool to confirm if a new employee is a member of the plan.
- ☑ Complete and submit a Plan Member Record for your employee if they choose to join the plan.
- ☑ Ask your employee to sign in to My Account at college.pensionsbc.ca and upload documents to establish proof of age and identity. This documentation is required before plan benefits can be paid.
- ☑ Ask your employee if they wish to nominate any beneficiaries other than their current spouse. If they do, they can nominate one or multiple beneficiaries by logging into My Account at college.pensionsbc.ca.

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2 PURCHASING SERVICE

Purchasing service means paying for periods of employment not counted as service with the College Pension Plan.

Purchasing service may increase a plan member's benefit.

2.1 Leave of absence (LOA)

Active plan members enrolled prior to taking a leave of absence may be eligible to apply to purchase that leave.

There are two main categories of leave:

- *Employment Standards Act (ESA)* provided leaves where the purchase of service is required to be cost-shared between employer and member:
 - Maternity
 - Parental
 - Family responsibility
 - Compassionate care
 - Disappearance of a child
 - Death of a child
 - Bereavement
 - Jury duty
 - Critical illness or injury leave
 - COVID-19-related leave
 - Personal illness or injury leave
 - Domestic or sexual violence leave
- General leaves where member is responsible for full cost of purchasing leave.

2.1.1 *Employment Standard Act* LOA Timeframes

Refer to the following Purchase of Service table for clarification of leave limits applied per purchase type.

| PURCHASE TYPE | LEAVE LIMITS | IMPORTANT DETAILS |
|---|--|--|
| In the event of a discrepancy between this table and the <i>Employment Standards Act</i> (ESA) or <i>Income Tax Act Regulations</i> (ITAR), the ESA or ITAR shall prevail. | | The Income Tax Act Regulations (ITAR) states purchase leave maximums. *5 years, **3 years |
| General leave | Based on ER approval. | For a reason other than as listed under the ESA or in excess of ESA limits. Cannot apply to purchase until leave has ended. *5 year ITAR maximum applies |
| Maternity leave | Pregnant employees can take up to 17 consecutive weeks, beginning no earlier than 13 weeks before the child's expected due date. Employees can also take up to 6 consecutive weeks following a termination of pregnancy, commencing the day the pregnancy ends. If complications following birth or termination of pregnancy prevent the employee from returning to work, the leave can be extended an additional 6 weeks. | **3 years ITAR maximum applies (1 year per child) *5 year ITAR maximum applies (for portions of the leave not covered by the 3 year ITAR maximum) |
| Parental/adoptive leave | Birth parent: If maternity leave is also taken, up to 61 weeks which must begin immediately after the maternity leave ends. Non-birth/adoptive parent: Up to 62 consecutive weeks, which must begin within 78 weeks of the child's birth or, in the case of adoption, within 78 weeks of placement of the child with the adoptive parent. Can have an additional 5 consecutive weeks if the child has any condition which requires an additional period of parental care, beginning immediately after the end of the original entitlement. | **3 year ITAR maximum applies (1 year per child) *5 year ITAR maximum applies (for portions of the leave not covered by the 3 year ITAR maximum) |
| Compassionate care leave | Up to 27 weeks within a 52 week period (can be taken in units of one or more weeks). | To provide care or support to a family member with a significant risk of death within 26 weeks. *5 year ITAR maximum applies |
| COVID-19-related leave | Employee is entitled to unpaid leave for as long as any of the ESA-prescribed circumstances apply to that employee. See Section 2.1.1.7 of this instruction manual. | This leave is a temporary measure and is expected to be repealed and removed from the ESA when no longer needed. *5 year ITAR maximum applies |

| PURCHASE TYPE | LEAVE LIMITS | IMPORTANT DETAILS |
|---|---|--|
| Leave respecting the disappearance of a child (up to 19 years of age) | Up to 52 weeks beginning on the date of the child's disappearance (can be taken in one unit of time or, with the employer's consent, more than one unit of time). | The child's disappearance must be the result of a crime (e.g., a kidnapping). *5 year ITAR maximum applies |
| Leave respecting the death of a child (up to 19 years of age) | Up to 104 weeks beginning on the date of the child's death (or is found dead if prior disappearance). The leave can be taken in one unit of time or, with the employer's consent, more than one unit of time. | *5 year ITAR maximum applies |
| Critical illness or injury leave | Up to 36 weeks (to care for a family member under 19 years of age) or 16 weeks (to care for a family member 19 years of year or older) within a 52 week period (can be taken in units of one or more weeks). | To provide care or support for a family member whose life is at risk due to illness or injury. *5 year ITAR maximum applies |
| Leave respecting domestic or sexual violence | Up to 5 days paid leave in one or more units of time, plus up to 5 days unpaid leave in one or more units of time, plus an additional 15 weeks unpaid leave taken in one unit of time, or more than one unit of time with the employer's consent. | For prescribed purposes for the employee or the employee's child or dependent. See Section 2.1.1.9 of this instruction manual for calculating an average day's pay for the paid portion. *5 year ITAR maximum applies |
| Personal illness and injury leave | Up to 5 paid days and 3 unpaid days per calendar year. | Applies to employees who have worked for their employer for at least 90 days. Both paid and unpaid leave resets every January 1. Unused days from one calendar year do not carry forward to the next. These are minimum requirements that apply even if a collective agreement contains provisions that meet or exceed these requirements. *5 year ITAR maximum applies |
| Family Responsibility Leave | Up to 5 days off each employment year. | Responsibilities related to care, health, or education of a child in the employee's care or immediate family. Employment year is based on the employee's starting date. Unused leave does not roll over to subsequent years. *5 year ITAR maximum applies |
| Bereavement Leave | Up to 3 days off. | When a death in the employee's immediate family (including adult child). *5 year ITAR maximum applies |
| Jury Duty | Employee is entitled to leave for as long as necessary to attend court as a juror. It is an unpaid leave, unless the employer and employee agree otherwise. | *5 year ITAR maximum applies |

For more information about these leaves, please see [Government of British Columbia Leave of Absence](#).

2.1.1.1 Maternity Leave

As of May 17, 2018: a pregnant employee is entitled to up to 17 consecutive weeks of leave beginning no earlier than 13 weeks before the expected birth date, and no later than the actual birth date.

An employee is also entitled to maternity leave following the termination of the pregnancy to a maximum of six weeks starting on the date the pregnancy was terminated. **Note:** if an employee is already on maternity leave prior to the pregnancy terminating, they remain entitled to 17 weeks from the original start date of the leave.

An employee is also entitled to up to six additional consecutive weeks if, for reasons related to the birth or the termination of pregnancy, they are unable to return to work when their leave ends.

Prior to May 17, 2018 the same provisions apply, except: leave can begin no earlier than 11 weeks before the expected birth date.

Transitional provisions: While transitional provisions exist for this leave, they do not impact purchase of service. The maximum duration of this leave is 17 weeks both before and after the 2018 ESA amendments.

2.1.1.2 Parental Leave

Birth parent as of May 17, 2018:

A birth parent who has taken maternity leave is entitled to up to 61 consecutive weeks beginning immediately after the maternity leave ends (unless employer approves otherwise).

- A birth parent who does not take maternity leave is entitled to up to 62 consecutive weeks which must begin within 78 weeks of the date of birth.
- If the child has a physical, psychological or emotional condition requiring an additional period of parental care, the birth parent is entitled to up to an additional five consecutive weeks beginning immediately after the end of the original entitlement.
- A leave that extends beyond the 61 or 62 weeks (plus additional five weeks, if applicable) may be purchased as a general leave.

It is the employer's responsibility to verify the leave period. The plan member must provide you with the birth certificate or adoption papers to verify the child's birth date. The College Pension Plan does not need to see these documents.

Birth parent prior to May 17, 2018 the same provisions apply, except:

- A birth parent who has taken maternity leave is entitled to up to 35 consecutive weeks beginning immediately after the maternity leave ends (unless employer approves otherwise).
- A birth parent who does not take maternity leave is entitled to up to 37 consecutive weeks which must begin within 52 weeks of the date of birth.
- A leave that extends beyond the 35 or 37 weeks (plus additional five weeks, if applicable) may be purchased as general leave.

Birth parent transitional provisions: If the child was born or placed with the adopted parent on or after December 3, 2017, the May 17, 2018 provisions apply to the leave.

Adoptive parent as of May 17, 2018:

- An adoptive parent is entitled to up to 62 consecutive weeks beginning within 78 weeks after the child is placed with the parent.
- If the child has a physical, psychological or emotional condition requiring an additional period of parental care, the adoptive parent is entitled to up to an additional five consecutive weeks beginning immediately after the end of the original entitlement.
- A leave that extends beyond the 62 weeks (plus additional five weeks, if applicable) may be purchased as general leave.

Prior to May 17, 2018 the same provisions apply, except:

- An adoptive parent is entitled to up to 37 consecutive weeks beginning within 52 weeks after the child is placed with the parent.
- A leave that extends beyond the 35 or 37 weeks (plus additional five weeks, if applicable) may be purchased as a general leave.

Transitional provisions: If the child was born or placed with the adopted parent on or after December 3, 2017, the May 17, 2018 provisions apply to the leave.

2.1.1.3 Compassionate care leave

As of May 17, 2018: up to 27 weeks within a 52 week period (can be taken in units of one or more weeks within this period) to care for a family member if a medical or nurse practitioner issues a certificate stating the family member has a serious medical condition with a significant risk of death within 26 weeks.

If the family member does not die within the original 52 week period, another period of leave may be granted upon obtaining a new medical certificate.

Certificate must be submitted to employer.

Prior to May 17, 2018 the same provisions apply, except: up to eight weeks within a 26 week period (can be taken in units of one or more weeks within this period) to care for a family member if a medical practitioner or nurse practitioner issues a certificate stating the family member as a serious medical condition with a significant risk of death within 26 weeks.

If the family member does not die within the original 26 week period, another period of leave may be granted upon obtaining a new medical certificate.

Transitional provisions: if, on May 17, 2018, an employee:

- is currently on compassionate care leave,
 - has requested, but not yet begun, compassionate care leave,
- or**
- has taken compassionate care leave (i.e., has used the previous eight weeks' maximum) and less than 52 weeks have elapsed since the leave began,

and

- the family member is still alive,

the employee is entitled to up to 27 weeks of leave, minus any leave already taken, to be taken within a period ending 52 weeks after the original start date of the leave. A new medical certificate is not required within this period.

2.1.1.4 Disappearance of a child (up to 19 years of age)

If an employee's child disappears and it is probable the disappearance is the result of a crime, the employee is entitled to a maximum of 52 weeks in the period beginning on date of child's disappearance and ending on the date that is 53 weeks after disappearance.

Leave may be taken in one unit of time, or multiple units of time with employer's consent and may end earlier if:

- the child is found;
- circumstances indicate it is no longer probable the disappearance is the result of a crime;
- employee is charged with a crime related to the disappearance;
- employer withdraws their consent to have the leave be taken in multiple units of time.

2.1.1.5 Death of a child (up to 19 years of age)

A maximum of 104 weeks that must be taken in the period beginning on the day the child dies or (in the case of a prior disappearance) is found dead, and ends 105 weeks after date of death.

Leave may be taken in one unit of time, or multiple units of time with the employer's consent and may end earlier if employee is charged with a crime that resulted in the death, or the employer withdraws their consent to have the leave be taken in multiple units of time.

2.1.1.6 Critical illness or injury leave

As of May 30, 2019, an employee may take up to 36 weeks of leave to provide care or support for a critically ill or injured family member, provided the family member is under 19 years of age. If the family member is 19 years of age or older, the employee may take up to 16 weeks of leave. This leave must be taken in multiple blocks of one or more weeks and requires a certificate from a medical or nurse practitioner for every 52-week period.

2.1.1.7 COVID-19-related leave

An employee can take unpaid, job-protected leave related to COVID-19 if they're unable to work for any of the following reasons:

- they have been diagnosed with COVID-19 and are following the instructions of a medical health officer or the advice of a doctor or nurse;*
- they are in quarantine or self-isolation and are acting in accordance with an order of the provincial health officer, an order made under the *Quarantine Act* (Canada), guidelines from the BC Centre for Disease Control or guidelines from the Public Health Agency of Canada;*
- the employer has directed them not to work due to concern about their exposure to others;*
- they need to provide care to an eligible person (i.e., their minor child or a dependent adult who is their child, former foster child, or other person who may be prescribed in the future**), for a reason related to COVID-19, including a school, daycare or similar facility closure;
- they are outside of BC and unable to return to work due to travel or border restrictions;
- other situations that may be prescribed in the future;

Effective from April 1, 2021 onward, an employee may also request and receive COVID-19-related leave for any of the following additional reasons:

- they are more susceptible to COVID-19 in the opinion of a medical professional because of an underlying health condition, ongoing treatment, or other illness, and are receiving the Canada Recovery Sickness Benefit for the leave;

* Between May 20, 2021 and December 31, 2021, an employee who takes COVID-19-related leave for these reasons may be entitled to up to three days of paid leave in accordance with section 52.121 of the ESA.

** Effective from April 1, 2021 onward, an eligible person also includes a member of the employee's immediate family or a family member identified in section 2 (a) or (b) of the Family Member Regulation, or a person who requires care and who is considered like a close relative (whether related to the employee or not).

- they are getting a COVID-19 vaccine (an employee may also be entitled to up to three hours of paid leave for COVID-19 vaccination in accordance with section 52.13 of the BC ESA);
- they are assisting a dependant to get a COVID-19 vaccine, i.e., a child, a dependant adult to whom the employee is a parent or former guardian, a member of the employee's immediate family, a family member identified in section 2 (a) or (b) of the Family Member Regulation, or another person who requires care and is considered like a close relative (whether related to the employee or not), and who is under the day-to-day care of the employee.

Unless otherwise noted, COVID-19-related leave is retroactive to January 27, 2020, the date of British Columbia's first presumptive case of COVID-19. An employee can take this job protected leave for the reasons above as long as they need it, without putting their job at risk. Once it is no longer needed, this leave will be removed from the *Employment Standards Act*.

2.1.1.8 Personal illness or injury leave

An employee can take up to five days paid and three days unpaid, job-protected leave per calendar year if they cannot work due to personal illness or injury (i.e., sick leave). For paid days, employees must be paid at least an average day's pay (using the same formula as in section 2.1.1.9).

This leave applies to employees who have worked for their employer for at least 90 days. Both paid and unpaid leave resets every January 1. Unused days from one calendar year do not carry forward to the next. These are minimum requirements that apply even if a collective agreement contains provisions that meet or exceed these requirements.

2.1.1.9 Domestic or sexual violence leave

As of August 14, 2020, an employee may take the following leave each calendar year, if the employee or an individual who is in the daily care of the employee (i.e., child or other person) has experienced or is experiencing domestic or sexual violence:

- up to five days of paid leave in one or more units of time (see 2.1.3.2 Leave of Absence with full salary below),

- up to five days of unpaid leave in one or more units of time, and
- an additional 15 weeks unpaid leave taken in one unit of time, or more than one unit of time with the employer's consent

Prior to August 14, 2020, the same provisions apply, except:

- up to 10 days of unpaid leave taken in blocks of one or more days, or in one continuous period, and up to 15 weeks of unpaid leave taken in one block of time, or more than one block of time with your consent.

There is a new formula for calculating the amount owed to the employee during this leave.

- This calculation should be based on days in which wages were earned during the calendar days before the leave started.
- All wages are to be included, including salary, stat holiday pay, and paid vacations; however, overtime is excluded.

EXAMPLE

Calculation formula

$$\text{an average day's pay} = \frac{\text{amount paid (in previous 30 calendar days)}}{\text{number of days in which wages were earned (in previous 30 calendar days)}}$$

The result of the above calculation is then multiplied by the amount of paid days taken under this leave.

2.1.2 Eligibility for Purchasing ESA Provided Leave

- You must verify the leave period and ensure *Employment Standards Act* requirements in effect at the time of the requested period of service are met. For example: only birth mothers are eligible for maternity leave; birth and adoptive parents are eligible for parental leave.
- Certain ESA leaves require the employer (or allow the employer to request) certain documentation (e.g., a medical certificate, birth certificate or adoption papers)—the College Pension Plan does not need to see this documentation.
- If a member chooses to pay for the employee portion of an ESA-provided leave, the employer is required to pay for the employer portion of the leave cost.

- If a leave of absence extends beyond the maximum provided in the ESA, the additional leave may be purchased as general leave.
- Upon application, a member may choose to continue to make pension contributions while on an ESA leave.

2.1.3 General leave

General leave is any leave where the ESA does not require the employer to share the cost of purchasing the leave.

2.1.3.1 Full and partial leave

The calculation of service and salary and the leave cost depends in part on whether the member receives full, partial or no salary during the leave period.

2.1.3.2 Leave of absence with full salary

When a member is on a leave and continues to receive full salary, both you and the plan member continue to contribute to the plan, and pensionable and contributory service are credited in the normal manner. There is no purchase of service available or required in these situations. From the pension plan's perspective, it's as if the member continued to work during that time.

2.1.3.3 Leave of absence with partial salary

Plan members who take a leave of absence with partial pay may be eligible to purchase the difference between the service they would have received if paid their normal salary and the amount of service they were actually credited with based on the salary they were paid while on leave.

2.1.3.4 Periods of reduced pay

Plan members who worked at less than their full assignment for a period of time may be eligible to purchase the difference between the normal, full assignment and the amount actually worked. Canada Revenue Agency (CRA) categorizes these as "periods of reduced pay" and sets out the following rules:

- the plan member must have been employed by you for not less than three years,
- only periods of reduced pay after the three-year requirement is met are eligible, and

- the plan member must have worked at the full assignment at some time during their employment with you prior to the leave period.

Note: For 2020 and 2021 only, the 36-month requirement does not apply. Members who worked at less than their full assignment in 2020 and 2021 may be eligible to purchase service regardless of the length of time they have been employed. If members qualified for a period of reduced pay under the relaxed eligibility requirements during this time but have since terminated employment or retired, they may still be able to purchase service. Members and employers can contact the plan for more information.

If the full assignment for the plan member is less than 100 per cent full-time, the plan member may purchase only that portion needed to bring it up to the plan member's full assignment, not to full-time.

2.1.4 All leave types

Plan members can purchase a leave if the total pensionable service resulting from the purchase would not exceed:

- 12 months in a calendar year, or
- Canada Revenue Agency maximums (contact CRA or the College Pension Plan for more details)

Plan members have the option to purchase leaves in annual portions when the leave exceeds one year. Application deadlines (see 2.1.5) apply to the end of the **leave period they are purchasing**.

If plan members wish to purchase a leave of absence for a period during which they contributed to a registered pension plan with any other employer, some restrictions may apply.

If a plan member chooses to continue to make contributions while on a ESA leave, but then stops making those contributions before the leave period has elapsed, only the leave period already purchased is credited.

Contact the College Pension Plan for more information.

Plan members may not purchase a period during which they were on strike.

2.1.5 Deadlines to purchase leaves

There is a deadline applied to purchases of leaves of absence.

- Application to purchase a period of leave must be made within five years of the end of the leave period or within 30 days of termination of employment with the employer with which the leave occurred, whichever occurs first.

If a member chooses to continue to contribute during an ESA leave, they must apply to do so within 30 days of the leave start date. If the member misses this 30 day deadline, they are still eligible to apply at the end of the leave and make a lump sum payment.

- The employer must then complete and submit the member's purchase application to us within 30 days of receiving the application. If the member indicates they wish to continue to contribute during the leave, the employer must submit application form copies to us monthly.

The member is not required to return to work after the leave. If a plan member is not going to return to work after a leave, application must be made within 30 days of terminating employment with the employer with which the leave occurred, in order to be eligible to purchase.

If application is not made prior to the deadlines, the member will no longer be eligible to purchase the leave period.

2.1.6 Cost to purchase leaves

The cost to purchase any leave of absence is calculated using the "Current Salary and Current Contribution" cost method. Under this cost method, the cost to purchase is based on the plan member's current full-time equivalent salary, multiplied by the length of the leave period, multiplied by:

- the current employee contribution rate—this applies to pregnancy/maternity, parental/adoption and all general leaves covered under the *Employment Standards Act* (you will pay your portion on the member's behalf), or
- the current employee and employer contribution rates—this applies to general leaves.

"Current" means at the time of application to purchase.

If a member chooses to pay for the employee portion of a maternity, parental, adoption, or general leaves covered under the *Employment Standards Act*, the employer who granted the leave is required to pay for the employer portion of the leave cost.

The member is responsible for paying both the employee and employer costs for all other leaves unless you choose to pay a portion of the costs.

Once a member's leave has ended, they can generate an estimate of the cost to purchase service by signing into My Account and accessing the personalized purchase cost estimator. Once a member is on leave, they should use the fillable PDF located at college.pensionsbc.ca/submit-a-form-to-buy-service.

2.2 Arrears

Arrears occur when a plan member and the employer should have made contributions to the pension plan, but did not. If you are aware of a possible arrears situation for one of your employees, you should notify the employee and submit an application form on behalf of the employee. There are two types of arrears: enrolment arrears and payroll arrears.

2.2.1 Eligibility to purchase arrears

Enrolment arrears

See section 7 for information on recovering current year arrears.

Enrolment arrears occur when:

- a plan member for whom enrolment in the plan is mandatory does not start making contributions when first required,
- a plan member whose enrolment was optional does not complete a written waiver to opt out of the pension plan and does not commence contributions, or
- a plan member whose enrolment is optional elects to enrol but does not start making contributions from the date of election.

Payment of enrolment arrears is mandatory for employers but optional for plan members. You must pay on receipt of the *Statement of Cost*.

Payment for enrolment arrears is optional for plan members.

When the employer portion of the arrears is paid, only one-half pensionable service and full contributory service is credited to the plan member. When both the employer and plan member portions are paid, the plan member is credited with full pensionable service and contributory service for that period.

Payroll arrears

Payroll arrears occur when an employer has not made deductions for a plan member. This can happen when the employer has:

Payroll arrears are mandatory for both employers and plan members.

- not made the required deductions on salary paid during a partially-paid leave of absence,
- failed to resume deductions when an employee, after a period of time when deductions were discontinued, should have started contributing again (for example, after a pregnancy/maternity leave), or
- for any reason not made the required deductions and has not remitted the required contributions for an active plan member (for example, there is a problem with your payroll system).

Payment of payroll arrears is mandatory for both you and the plan member. They must be paid on receipt of the *Statement of Cost*. You must remit the required employee and employer contributions, and collect the employee contributions from the plan member.

2.2.2 Deadlines to purchase arrears

There is a deadline applied to purchases of enrolment arrears.

- Active members who received their notice of enrolment arrears on or after March 1, 2002 must apply to the plan administrative agent to purchase those arrears within five years of the date the arrears notice was sent or 30 days after termination of employment, whichever occurs first.
- The employer must then complete and submit the member's purchase application to us within 30 days of receiving the application.

If application is not made prior to the deadlines, the member will no longer be eligible to purchase the arrears period.

2.2.3 Cost to purchase arrears

The cost to purchase arrears is calculated using the “Current Salary and Current Contribution” rate cost method. Under this cost method, the cost to purchase is determined by calculating the employee and employer contributions required for the amount of pensionable service to be purchased, using the plan’s current employee and employer contribution rates and the member’s current pensionable salary. (“Current” at the time the arrears request is submitted.)

2.3 Child-rearing break

Plan members who take time off work to raise their own child may be able to have up to five years of this “child-rearing” time recognized as contributory service in the College Pension Plan.

Unlike purchasing a leave, members do not pay any money to be credited with child-rearing time. Rather, the time is counted as contributory service as long as the member meets the eligibility requirement (see below). Additional contributory service could benefit plan members by assisting them to become entitled to an unreduced retirement benefit.

2.3.1 Eligibility for child-rearing time

To qualify for child-rearing time, a plan member must:

- accumulate pensionable service in the College Pension Plan before and after taking time off to raise a child,
- quit work or take an employer-approved full-time leave of absence specifically to raise a child,
- not have accrued entitlement to a benefit under any registered pension plan during the child-rearing period, and
- pay back any refund of contributions they might have taken immediately before the child-rearing period.

When applying for child-rearing time, a plan member must be an active member or within 30 days of terminating employment.

If the member purchases a leave taken for child-rearing under the leave of absence rules, the member will already have contributory service credited for that period, and will not have additional contributory service credited for child-rearing time.

2.3.2 Applying for child-rearing time

The plan member should apply to the plan, using the *Child-rearing Declaration* form. The member must sign the form and include copies of the child's birth certificate or adoption papers.

2.4 Applying to purchase service

2.4.1 When is an application form required?

You or your employee must complete Part A. The employee is not required to sign the form.

For leaves and arrears, plan members cannot apply directly to the pension plan. You must complete a *Purchase of Service Application* form from college.pensionsbc.ca/submit-the-purchase-of-service-application-package. You or your employee must complete Part A.

You must complete a separate application for each purchase type, with the exception of multiple general leaves of absence that occur during the same reporting segment (i.e., September to December and January to August); these can be requested on one application. Attach details of dates and service for each leave period. We will combine the periods of service and provide one *Statement of Cost* to the plan member.

2.4.2 Members on leave prior to retirement

Remember, plan members must be active (including being on a leave of absence) or within 30 days of terminating employment to apply to purchase service.

If a member is on a leave of absence just prior to retirement and wishes to purchase service:

- The member should apply to purchase that leave (and any other unpaid purchases) prior to their retirement date.
- If the member wishes to complete the purchase prior to retiring, they should apply approximately two months prior to their retirement date.
- The member must pay by the due date indicated on the *Statement of Cost*—once the due date is past, the member will not be able to purchase the service.
- If the retirement benefit is processed before the purchase has been completed, it will be amended as soon as the purchased service is credited to the member's account.

2.4.3 Purchase cost estimates

The member should not forward any funds to the corporation until they have received a final costing from the College Pension Plan.

The member should calculate an estimated cost and determine the estimated increase to pension prior to submitting the application; you may be asked to assist your employees with estimates. An estimated cost allows members to determine if they wish to proceed with the purchase before making a formal application, and before having you complete the employer portion of the application form.

Plan members can obtain these figures by using the **Online purchase cost estimator**: Members can do their own estimate using the personalized purchase cost estimator available on our website through My Account. The estimator has been loaded with each member's current *Member's Benefit Statement* information.

Members who haven't registered for My Account can use the self-registration process.

The online purchase cost estimator will provide the member with an approximate cost to purchase service, the estimated increase to their pension if they purchase service, and a payback feature, which lets the member know how many pension payments they need to receive in order to recoup the cost of purchasing service.

Members who use the personalized purchase cost estimator and have decided to proceed with the application may print directly from the estimator. The application form will be populated with the purchase details as entered by the member.

The member should not forward any funds to the corporation based on estimates from the purchase cost estimator or that they have manually calculated. Members can only make payment when they receive a *Statement of Cost* from the College Pension Plan.

2.4.4 Continuous contributions while on an ESA leave

For ESA leaves commencing on or after May 1, 2020 members will be able to contribute to their pension on a continuing basis during the leave. This opportunity gives members who want to buy service the flexibility to choose the option that best fits them: either pay during a leave under the new rule, or buy service in one payment up to five years after the leave under the current rule.

- Members will have 30 days from the leave start date to apply to make continuous contributions. If this 30 day deadline is missed, members will need to wait until the end of the leave period and then apply to purchase the entire period in a lump sum.
- When a member submits a *Purchase of Service* form requesting continuous contribution within 30 days of the leave start date, the employer will date stamp and photocopy the application and submit a copy to the Pension Corporation each month the member is on an ESA leave. The subsequent applications should document any relevant changes such as an increase in salary.
- The first partial month of leave can be combined with the second full month of leave.
- The *Purchase of Service Application* provides space for the employer to record several pay periods.

2.5 The purchase of service application package

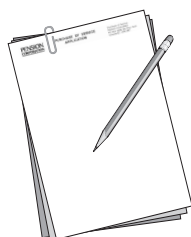
2.5.1 The purchase package overview

The purchase application package has been developed to help the member better understand purchase of service and their role in the purchase process.

2.5.2 Purchase of service information for the member

The *Purchase of Service Application Package* provides answers to questions regarding purchasing service.

The *Purchase of Service Application Package* also provides information as to the next steps in the purchase process, such as paying for the purchase and tax considerations.



2.5.3 Reviewing and verifying the purchase application form

You or your employee must complete Part A. The employee is not required to sign the form.

It is critical that you verify and submit purchase applications to us without delay when a member applies to make a purchase. Refer to the Purchase of Service table in Section 2.1.1 for details.

When a *Purchase of Service Application* form arrives in your office:

- Ensure that all applications are **date stamped** on the day they arrive in your office. This date is deemed to be the “Application Received Date” and should be recorded in the corresponding field in Part B. College Pension Plan staff use this date to determine applicable rates to apply to a purchase cost and/or to determine if the application has been received before a pertinent deadline, for example, termination of employment.
- You or your employee must complete Part A of the *Purchase of Service Application* form in its entirety. It is the member’s responsibility to provide you with as much information as possible for the period of service they wish to purchase.
- It is your responsibility to **verify** the information submitted by the employee on the *Purchase of Service Application* form.
- Researching a purchase request will vary case by case, however, you should use your best judgment on how much research time is appropriate, based on individual circumstances.
- Where employment records and periods of service are difficult to verify because records are inaccessible, misplaced or destroyed, consider using the employment verification resources listed in section 2.5.4.1.

2.5.4 The purchase application form

2.5.4.1 Part A—To be completed by you or the plan member

The member must complete all applicable areas; in some instances members may need assistance to determine the dates and the amount of service eligible for purchase. Keep in mind that the member must exercise due diligence in attempting to find the necessary information before requesting your assistance.

Members must complete the following critical fields:

- Plan member name and address.
- Phone number and email address.
- Type of Purchase—the member may have to review detailed information located at college.pensionsbc.ca/taking-time-off-work-and-buying-service.
- Period of Service Applying to Purchase—some members may find it difficult to determine the actual dates for the period of service. In some instances you may assist the member in locating these dates; however, the member must exercise due diligence to find the dates prior to contacting you.
- If the member applies to purchase an ESA leave within 30 days of the leave commencing, they are eligible to choose the continuous contribution payment method.
- Indicate if member was full or part-time—the member must choose either full-time or part-time. If part-time has been selected, a percentage of full-time employment must be indicated by dividing the actual hours worked in the year by the possible full-time hours in the year.

When confirming the information in Part A, remember the following:

- **Current pension plan:** The member can only purchase service that occurred in their current pension plan.
- **Type of purchase:** The member must complete a separate application for each purchase type, with the exception of multiple general leaves of absence that occur during the same reporting segment (i.e., September to December and January to August), which can be requested on one application. Attach details of dates and service for each leave period. or use the service and salary chart in Part B. We will combine the periods of service and provide one statement of cost to the plan member.

- **Pregnancy/maternity, parental, and adoption leaves:** You must view and verify the accuracy and authenticity of any documents related to the child's date of birth (or adoption) prior to signing the application form. The College Pension Plan does not need to see these documents.
- **Indicate if they are full-time or part-time:** if part-time, the member will indicate the percentage of full-time employment. The College Pension Plan will calculate the eligible service based on the start and end dates and the percentage you have given us.

If the purchase period spans more than one segment, the purchase must have the service broken down into separate segments on the application or on an attachment.
- **Period of service to be purchased:** You can confirm this information by checking your employment records or, if these records are unavailable, you may need your employee to provide you with some information such as:
 - offer of employment letter,
 - leave approval form or letter,
 - historical timesheets,
 - paycheque stubs,
 - copies of T4s,
 - Employment Insurance – Record of Employment,
 - letter from Canada Revenue Agency, or
 - letter from the Canada Pension Plan.
- Once you have sufficient information to be confident in confirming the requested period of service, you must complete Part B.

2.5.4.2 Part B–To be completed by the current employer

By signing the *Purchase of Service Application* form you are indicating that you understand you will be billed for the employer portion, if applicable.

It is your responsibility to provide us with the Current Annual Pensionable Salary (full-time equivalent). This will be the salary the College Pension Plan will use to determine the cost of the purchase. Pensionable Salary means the base salary received by a member and includes any additional amounts specified by the board.

Section 7 of this manual describes what types of earnings, compensation or pay are pensionable and lists some exclusions.

EXAMPLE

To calculate the Current Annual Pensionable Salary (full-time equivalent):

1. Calculate the percentage of full-time hours worked.
 - If the employee works 30 hours per week (where a full-time employee works 40 hours per week)
 - Then: $30 \text{ hours} \div 40 \text{ hours} = 75 \text{ per cent}$
2. Calculate the full-time equivalent pay period salary.
 - If the employee earned \$2,250 in their last pay period (including any Adds to Pay deemed pensionable in Section 7 Reporting) before applying to purchase service
 - Then: $\$2,250 \div 0.75 = \$3,000$
3. Calculate the full-time equivalent annual salary.
 - $\$3,000$ divided by the pay period amount 0.4615 (which equals 12 months divided by 26 pay periods) and multiplied by 12
 - Then: $(\$3,000 \div 0.4615) \times 12 = \$78,006.50$

For ESA leaves check if the continuous contributions option is selected.

Service and Salary Chart: For all requests, indicate the amount of pensionable service and salary paid during the purchase period (e.g., Maternity or Parental/Adoption leave top up), and, if applicable, any current year service that has not yet been reported. For continuous contribution leave purchases, display by segment or pay cycle, if applicable. Indicate the service to be purchased based on the total service available in the segment or pay cycle. If the costing salary amount changes for continuous contribution leave purchases, update the current annual pensionable salary amount for the purchase period.

If the request is for pregnancy/maternity or parental leave you must provide us with the pensionable service the member has accrued as a result of pregnancy/maternity and/or parental leave top up paid in the purchase period.

By signing Part B, you are confirming the information in Parts A and B, and certifying that the information is true, complete, and correct to the best of your knowledge, based on the purchase eligibility rules for each purchase category

Additional Information on Pensionable Salary can be located in Section 7 of this Employer Manual.

(please refer to purchase eligibility for each type of purchase earlier in this section).

Also, by signing the form you are indicating that you accept the respective employer cost responsibility, if applicable. For example, if an employee pays for the employee portion of a maternity leave, the employer who granted the leave will be billed for the employer portion of the cost.

2.5.5 Forward the application to the College Pension Plan

Once all sections of the form are completed, the form is sent to us. We will produce a *Statement of Cost* and send it to the member. The member must pay by the due date indicated on the statement in order to be eligible to purchase the service at that cost. If the member does not purchase, they may apply to have the cost recalculated, as long as the deadline for that purchase type has not passed (see deadline information under each purchase type in this section) and the member is still eligible to purchase service.

If the member has chosen Option 1: Continuous contribution, submit a copy of Part B after each monthly pay cycle. Throughout the leave, the member will receive a Statement of Cost from the Plan about once a month. To be eligible to purchase service at the cost listed on the Statement, the member must submit their payment by the due date listed on the Statement. If the member does not pay by the due date, the continuous contribution option expires. Both the member and the employer will be notified of expired continuous contribution options. If the continuous contribution option expires, and the member still wants to purchase service, they must wait until the end of the leave period to apply to have the cost recalculated. Upon recalculation, the member may purchase the services by making a lump sum payment.

2.5.6 Request for an updated purchase cost

In order to receive an updated cost for an expired lump-sum payment, members must formally request an update; they can do so by completing the Request for an Updated Cost section on the *Statement of Cost* and sending it to you. You will review the *Statement of Cost* details to ensure that the member is still eligible to apply to purchase service, and then complete

the employer section, providing us with the new “Current Annual Pensionable Salary” (Full Time Equivalent), so we can prepare an updated cost using the most current salary. Once completed, sign the form and forward it to the College Pension Plan, we will send out a new *Statement of Cost* to the member.

2.6 Paying for purchases

2.6.1 Methods of payment

There are several possible methods of payment:

- cash from plan member (in the form of a personal cheque or EFT),
- RRSP transfer,
- employer funds,
- employee funds directed from severance payments or retirement allowances, or
- combination of any of the above.

2.6.2 Tax implications

Contributions made to pay for purchases may be tax-deductible. If a member pays in cash (in the form of a cheque or EFT) directly to the College Pension Plan, we will issue a receipt to the member to use when filing their income tax return for the year in which the payment is made.

If the purchase is for post-1990 dates the member must have sufficient RRSP room in order to pay by cash. The member must contact Canada Revenue Agency (CRA) to see if they have enough RRSP room. If a member pays for their purchase by cash and they do not have enough room, CRA will deny the purchase.

If a member pays by RRSP transfer, we will not issue a receipt as the funds are already tax sheltered and would have been deducted by the member at the time they were contributed. We will acknowledge receipt of these funds.

If you are paying some or all of the member’s purchase, you need to arrange the details of the employer payment with the member. Ensure the payment is made by the due date on the *Statement of Cost* and that the member has completed the “Method of Payment” section on the *Statement of Cost* invoice.

Members should contact CRA directly for tax information.

No tax receipts are issued for employer-funded payments, other than severance and retiring allowance payments as set out below.

2.6.3 Severance and retiring allowance payments from the employer

If the payment is coming from severance pay or a retiring allowance, we will issue a tax receipt to the member for the purchase payment and then you will issue a T4 to the member for the income.

It is important that members understand that purchases made from a severance or retiring allowance may affect RRSP room.

2.7 Payment and billing

2.7.1 Arrears

For arrears, the employer is automatically billed for the employer portion of the cost. We will send you a letter showing the breakdown of the employee and employer costs.

Enrolment arrears

Employer portion—you can pay in one of two ways:

- through the regular remittance process by reporting the employer portion of the arrears payment on line 6 of your next employer remittance—ensure you include the arrears payment with your remittance, or
- by a separate cheque.

We will bill employers and members separately for their portions.

Employee portion—we will send the member a *Statement of Cost* for the employee portion. The member must decide whether or not to pay the employee portion, which may be paid by RRSP transfer or by cash, subject to CRA approval. If the member chooses to pay by cash, we will issue a tax receipt directly to the member. If the member chooses to pay by RRSP, we will send them a *Purchase Confirmation Letter*.

Payroll arrears

In addition to the arrears letter, we will send you the *Statement of Cost* for the employee portion. You must remit both the employee and employer amounts. You are responsible to recover the employee contributions from the member. You are responsible for indicating the deduction for the

member's portion on their T4 slip. If you require assistance on completing the T4 with this information please call CRA.

2.7.2 Leave of absence

If the employer is responsible for paying their portion of the leave cost as explained in section 2.1, the member will be sent a *Statement of Cost* for the employee portion. If the member pays for their portion, an invoice is generated and sent to the employer who granted the leave. The employer must pay by the due date indicated on the invoice.

If the member has chosen Option 1, continuous contributions, the Plan will send you an invoice for the employer portion shortly after the member pays their portion.

If the employer is not responsible for paying a portion of the leave cost, the member will be sent a *Statement of Cost* for the full cost. Although you are not required by the plan rules to pay for any portion of the leave cost, you may still have an arrangement with your employee to pay for all or a portion of it. If so, please forward a cheque by the due date indicated on the *Statement of Cost*.

If the member chooses to pay by cash, we will issue a tax receipt directly to the member. If the member chooses to pay by RRSP, we will send them a *Purchase Confirmation Letter*.

2.8 Pension transfer agreements

Pension transfer agreements are negotiated agreements between pension plans that allow plan members to carry certain pension rights—including contributions and years of service—from one pension plan to another. They allow members to transfer the service they earned in a former plan (the “exporting plan”) to their current plan, or the plan to which they last contributed (the “importing plan”).

Transfer of full service from one plan to another is not guaranteed. Differences in benefit formulas, salaries and other factors impact transfer calculations.

Transferring pension rights under an agreement can improve the overall benefits that a plan member is entitled to receive. Plan members who transfer under an agreement must leave

their contributions on deposit with their plan, rather than take a refund or other benefit, when they terminate employment.

To be eligible to transfer pension rights, the member must meet certain criteria. These depend on transfer arrangements between the two pension plans. The plan member should contact the College Pension Plan directly to find out if there is an agreement in place with another pension plan, and how to proceed from there.

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3 TERMINATION OF EMPLOYMENT

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3 TERMINATION OF EMPLOYMENT

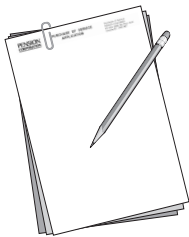
The normal retirement age for College Pension Plan members is 65, and the earliest retirement age is 55.

When a plan member terminates employment prior to age 55, the member is eligible for a benefit. The type and amount of the benefit payable depends on the member's age and service at the time of termination, and may include:

- a refund of the member's contributions to members who were not vested before September 30, 2015,
- a retirement benefit payable at a later date, or
- a lump-sum payment of the value of that pension.

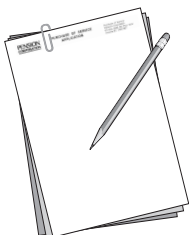
We will notify the member of the benefit options available and make payments when required.

3.1 When has a member terminated employment from the pension plan?



Termination of employment for pension plan purposes happens when a plan member stops working and the member and employer are no longer required to make contributions to the pension plan. This includes a member on a recall/seniority list for one year without making a contribution. When a member terminates employment, you must submit Employee Information at Termination/Retirement online to report:

- the date that the member terminated employment, and
- salary and service information for the part of the reporting period they worked. You will also report this information on your annual *Payroll Report*, but we need the information in the meantime to process the member's termination benefits.



The *College Pension Plan Rules* outline the rules for members who terminate employment from the pension plan:

“termination of employment” or “terminated employment” means,

- (a) subject to paragraph (b), the cessation by a member of employment with an employer, or

(b) if a member is entitled to receive benefits under an LTD plan, the cessation of the member's entitlement to benefits from the group disability plan unless the member resumes employment with an employer,

but does not include cessation of employment by the member if, at the time of cessation of employment, the employer and the member or the member's bargaining agent, on behalf of the member, have made an agreement

(c) for the member to resume employment with the employer, or

(d) establishing a right for the member to resume employment with the employer, provided further that, if a member has not resumed employment with the employer by the date that is one year after the date the member ceased employment with the employer, the member will be deemed to "terminate employment" on that date.

A plan member has not terminated employment for pension plan purposes if:

- the member is on an approved leave of absence,
- the member has stopped working but has made an agreement or retains a right (including if the member is on a recall or a seniority list) to resume employment, and has made a contribution within one year,
- the member is an employee who has not worked recently or has been laid off, but has not resigned or been dismissed,
- the member is receiving benefits from under an LTD plan, even if the member's employment has been terminated for all other purposes, or
- the member changes employment status, but does not resign and is not dismissed (for example, the member changes from full-time to part-time).

If a plan member has been dismissed and is appealing the dismissal, it may make sense to delay reporting a termination of employment until the issue is resolved. If the member takes a refund or commuted value and later returns to the position, the refund or commuted value cannot be reinstated. For further information, please contact us.

3.2 Termination benefit eligibility

Terminating members have the option of leaving their contributions on deposit.

A member's eligibility for termination benefits depends on their age at the date of termination of employment.

The following table outlines the options available based on age for active members who terminate employment.

| BENEFIT ELIGIBILITY OPTIONS | |
|-----------------------------|--|
| Age | Options |
| Under 55 | Deferred retirement benefit Or Locked-in commuted value payment (you must apply to withdraw funds before age 55) |
| 55 but under 60 | Deferred retirement benefit Or Immediate retirement benefit (your pension is reduced if you have fewer than 35 years of contributory service) |
| 60 but under 65 | Deferred retirement benefit Or Immediate retirement benefit (the portion of your pension for post-2015 service is reduced if you have fewer than 35 years of contributory service; and the portion of your pension for pre-2016 service is reduced if you have fewer than two years of contributory service) |
| 65 or over | Unreduced retirement benefit |

Note:

- Benefit eligibility is subject to plan rules in place at the termination date.
- Immediate and deferred retirement benefits are subject to reduction rules. See Section 4.3 Reduced and unreduced retirement benefits for more information.

Deferred retirement benefit

A retirement benefit payable at a later date. The retirement benefit cannot start earlier than age 55.

Commuted value

The commuted value benefit is the amount of money that needs to be set aside today, using current interest rates, to provide enough funds at retirement to pay a pension similar to the pension the member would have received from the plan at the member's earliest retirement age.

3.3 Locking-in

When a person is entitled to a benefit (including a commuted value), that benefit is usually “locked-in.” This means that the benefit must be used to provide retirement income according to the BC *Pension Benefits Standards Act* (PBSA). A member can choose to take that benefit as a retirement benefit from the plan or may transfer the commuted value of the retirement benefit to another pension income provider. If a commuted value is transferred to another pension income provider, it must be transferred to:

- a locked-in retirement vehicle,
- another registered pension plan,
- a LIF (life income fund), or
- to a life insurance company to provide an annuity payable no earlier than age 50.

The financial institution or other pension plan must certify that the funds will be used to provide a retirement benefit.

If the retirement benefit or commuted value amount is under a certain threshold, the member may choose to take the commuted value paid directly to them or have it transferred to an RRSP without locking-in restrictions.

3.4 Income tax

A refund or commuted value payment is not subject to income tax deductions when it is transferred directly from the pension plan to a registered retirement vehicle listed above.

A refund or commuted value payment paid directly to the plan member will have income tax withheld at CRA’s flat rate of 10 per cent to 30 per cent, depending on the payment amount. The member may owe more or less tax when they file their income tax return.

3.5 Reporting employee information at termination

Select the EITR Submitted Report to view all the member information you have submitted within a specific time frame.

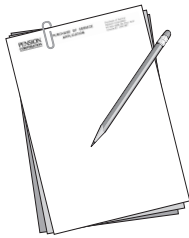
When a plan member terminates employment, PBSA requires us to provide them with their termination selection statement within 60 days. In order to enable us to comply, submit Employee Information at Termination/Retirement online within 14 days or as soon as the final payroll has been completed.

Sign in to the secure employer website, access the Employer Portal and then select *Employee Information at Termination/Retirement* in the Employer Reporting section. Follow the prompts to enter the data.

Also ask the member to submit any plan member documentation not already on file with the corporation, such as:

- proof of age and identity (see section 1.7),
- court orders or separation agreements pertaining to the division of benefits because of marital breakdown.

Termination benefits will not be paid to a member unless we have clear copies of the necessary documents.



It is important to submit Employee Information at Termination/Retirement data within the 14 day period so we can provide the plan member with their benefit options.

We will:

- calculate their termination benefit options, and
- send them a *Termination Selection Statement* outlining their options for disposition of their accumulated pension benefits.

The member can then select a benefit.

Information about termination options is available at college.pensionsbc.ca/what-happens-if-you-leave-your-job or from the plan.

You can access the *Employee Information at Termination/Retirement Report* to view a rollup of the member information you have submitted.

If the member is taking vacation time at the end of their employment, their termination date is the end of the vacation period, provided the member takes the vacation owed as time off with pay (see section 7.2.3).

If the member receives a lump-sum payment in lieu of vacation,

- the payment is not pensionable,
- the payment should not be included in reported salary,
- deductions should not be taken, and
- the termination date is the last day of employment.

If the member terminates employment immediately following an approved LOA, termination date is last day of leave. If the member resigns or is dismissed during their leave of absence, termination date is date of resignation or dismissal.

Termination checklist

Did you remember to...

- Submit Employee Information at Termination/Retirement online within 14 days (unless there is an appeal of the termination pending)?
- Advise the member that if they wish to purchase service, they must apply to do so within 30 days of terminating employment with you?
- Get a current address from the member?
- Have the member provide proof of age and identity documents?
- Make sure a current *Nomination of Beneficiary* has been filed with us (either online or by paper form)?
- Ask if the member is transferring to another job that is covered by a pension plan? If so, refer the member to the website for more information.

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4 RETIREMENT

This section provides information on getting a member's retirement benefit started, whether the member is going directly from plan employment to retirement, or the member terminated employment from the plan earlier and now wants the retirement benefit to begin.

How members get information about their retirement benefit

- The plan offers regularly scheduled retirement webinars to members. Check our website at college.pensionsbc.ca for more information.
- Members can use the personalized pension estimator, available through My Account on our website, to create pension estimates based on their current service and salary information.
- Members can also review their annual *Member's Benefit Statement*, which provides a summary of retirement benefit information.
- When a member is within one year of actual retirement, they can request a detailed, researched estimate of their various pension options.
- When a member is within four months of the retirement benefit effective date, they can request a retirement application package from the plan. When the member's retirement date is within 90 days, they can sign in to My Account at college.pensionsbc.ca and apply online for retirement.

The retirement benefit

The plan pension formula results in a retirement benefit, and a member may choose other options that will continue to be paid to a beneficiary(ies) after their death.

Group health benefits

Medical Services Plan, dental and EHC

Group benefits are **not** guaranteed.

Retiring plan members may apply for voluntary dental and extended health care (EHC) from Green Shield Canada. If the member elects to have EHC and/or dental benefits through the pension plan, premiums will be deducted from their retirement benefit. If the retirement benefit is not large enough, premiums can be paid directly to Green Shield Canada via pre-authorized withdrawal from the member's bank account.

Effective January 1, 2020, Medical Services Plan (MSP) premiums are being eliminated. The College Pension Plan will no longer administer MSP for retired members.

Coverage under the voluntary EHC and dental plans may be eliminated or changed at any time by the pension board, including amounts for premiums and deductibles.

ABOUT THE RETIREMENT BENEFIT

4.1 Eligibility for a retirement benefit

Plan rules do not require that members retire at age 65.

A member is eligible for an immediate retirement benefit when they reach age 55.

Refer to the Age Rules for Benefit Eligibility table in section 3.2.

Before members are eligible to receive a retirement benefit, they must have terminated employment as termination is defined in the plan rules. See section 4.7.2.

A member who is eligible for an immediate retirement benefit may choose to defer starting the retirement benefit until a later date. A member who is considering deferring their retirement benefit should be advised to contact us for information.

If a member is receiving benefits under an LTD and their benefits end, they may be eligible to apply for a retirement benefit. The member has two choices:

- Receive an immediate retirement benefit (refer to Age Rules for Benefit Eligibility table in section 3.2), and if their benefits under an LTD plan are reinstated by the carrier at a later date, they must notify the Pension Corporation and repay to the plan (in a lump sum), the total amount of the retirement benefit paid during the reinstated period, plus interest.
- Choose not to receive an immediate retirement benefit because they are appealing the termination of their benefits under an LTD plan. They should complete the *Termination of Group Disability Plan Benefits* form, indicating they are appealing, along with their application for retirement benefit. This will determine the retirement benefit effective date if their appeal is unsuccessful.

If a member accepts a lump-sum payment to settle an LTD claim, the member is not eligible for a disability benefit from the plan. This does not affect the member's right to termination or retirement benefits.

The *Income Tax Act* mandates that employees must begin receiving their pension no later than the end of the year they turn 71. Additionally,

- employer must stop collecting pension contributions,
- employee may keep working without interruption.

Even though they may still be working, use the online tool to submit a termination/retirement information within 14 days of termination or as soon as the final payroll have been completed.

Submission of this form is to activate the retirement process; select “retirement” on the form and ensure you complete all required fields including benefits. After submitting their employee information at termination/retirement using the online tool, final salary, service and contributions up to November 30 must be reported on your payroll report.

EXAMPLE

If you have an employee born in 1946 who turns 71 in 2017, stop collecting contributions for them effective November 30, 2017—even if they turn 71 in December. Your *Payroll Report* must not include service, salary or contributions for this employee beyond November 30.

We send your employees a pension estimate and retirement application package the year they turn 71. Please ensure we have their current address. If your employee has recently informed you of an address change, please let them know they can update their personal information online in My Account.

4.2 Pension formula

The College Pension Plan is a defined benefit pension plan, meaning that a member’s retirement benefit is determined by a formula. The formula is a set percentage multiplied by the member’s highest average salary (HAS) and the member’s pensionable service in the plan.

A member’s retirement benefit is based on the average of their highest five salary years (HAS) and their total pensionable service.

For pensionable service earned to December 31, 2015, the pension formula is:

$(1.7\% \times \text{HAS up to YMPE} + 2.0\% \times \text{HAS in excess of YMPE}) \times \text{pensionable service}$

Additionally, if a member retires before age 65, the bridge benefit (payable to the earlier of age 65 or death, whichever occurs first):

$0.3\% \times \text{HAS up to YMPE} \times \text{pensionable service}$

The formula can also be expressed as:

$2\% \times \text{HAS} \times \text{years of pensionable service less the bridge benefit of } 0.30\% \times (\text{lesser of HAS or YMPE}) \times \text{years of pensionable service.}$

For pensionable service earned on or after January 1, 2016, the pension formula is:

$2\% \times \text{HAS} \times \text{pensionable service}$

These two pension formulas give the member a single pension amount plus the bridge benefit for service earned up to December 31, 2015.

If a member retires before age 65 with less than 35 years of contributory service, the retirement benefit may be reduced. See section 4.3.

4.3 Reduced and unreduced retirement benefits

For service earned to December 31, 2015, the retirement benefit will be reduced by three per cent for every year under age 60, if the member:

- terminates employment at age 50 or older,
- has at least 10 years of contributory service, and
- has at least eight months contributory service in the 24 months immediately before termination of employment.

Otherwise, the reduction is five per cent per year.

The retirement benefit will be unreduced if the member has:

- fewer than two years of contributory service and the pension starts at age 65 or later,
- at least two years of contributory service and the pension starts at age 60 or later, or

- at least 35 years of contributory service and their pension starts after age 55.

For service earned on or after January 1, 2016, retirement benefits will be reduced by three per cent per year for every year under age 65.

If the member has less than two years of contributory service and is retiring at or after age 55:

- their retirement benefit for service earned to December 31, 2015 will be reduced five per cent per year for every year under age 65; while
- their retirement benefit for service earned on or after January 1, 2016 will be reduced three per cent per year for every year under age 65.

The retirement benefit will be unreduced if the member has:

- any amount of service and the retirement benefit starts at age 65 or later, or
- at least 35 years of service and the retirement benefit starts at age 55 or later.

Reductions are pro-rated by month for partial years.

4.4 Pension options overview

There are two pension types: single life and joint life.

Single life pensions (SL) are pensions that are payable for the life of the member and for a set guarantee period if the member dies before the end of the guarantee period. In general, the longer the guarantee period, the lower the retirement benefit amount. The bridge benefit does not change, regardless of the pension option selected.

The standard retirement benefit that results from the pension formula is payable as the “normal form” of pension. The normal form of pension in the College Pension Plan is a single life pension with a 10 year guarantee.

The guarantee period begins the date the member’s pension starts, and continues for 10 years. The pension is payable for as

long as the member lives. If the member dies before the end of the guarantee period, the rest of the monthly benefit is paid to the member's beneficiary(ies), or estate if no beneficiary exists. For more information on beneficiaries, visit college.pensionsbc.ca/how-your-beneficiaries-will-be-paid.

If the member dies after the end of the guarantee period, no payments are made to the member's beneficiary(ies) or estate.

Other guarantees on a single life pension are available. Members can choose a guarantee period of five or 15 years on a single life pension. Other than the duration of the guarantee period, these options work the same as the 10-year option.

Joint life pensions (JL) are paid for the joint life of the member and the member's spouse; if the spouse lives longer than the member, they continue to get a pension, based on the percentage of joint life pension selected by the member at retirement. The member can choose a 60 or 100 per cent joint life.

A member who has a spouse must select an option that guarantees at least 60 per cent of the member's pension will continue to the spouse after the member's death, unless the spouse waives entitlement in writing.

A member who has a spouse must select an option that guarantees at least 60 per cent of the member's pension will continue to the spouse after the member's death, unless the spouse waives entitlement in writing.

If a member selects a 100 per cent joint life pension, after their death the member's spouse will receive 100 per cent of the member's pension payment for the rest of their life. If the member selects a 60 per cent joint life pension, the payment is 100 per cent as long as the member lives, then after the member's death their spouse will receive 60 per cent of their basic pension payment for the rest of their life.

Compared with a single life, a joint life will generally provide a lower pension payment. This is because the joint life pension:

- covers two lives,
- may continue after the member's death, and
- generally is paid out for more years.

Guarantees on a joint life pension

A member may choose a guarantee period of 5, 10 or 15 years for the joint life pension.

If a member selects a 60 per cent joint life pension with a guarantee, but dies before the guarantee period ends, the pension payment continues at 100 per cent to their spouse for the time remaining on the guarantee. After the guarantee period ends, the pension payment reduces to 60 per cent of the basic pension for the lifetime of the member's spouse. If the member and their spouse die and there is still time remaining on the guarantee, the remaining value will be paid according to the member's choices on the *Nomination of Beneficiary* form. Visit college.pensionsbc.ca/naming-and-changing-beneficiaries for more information.

If the member selects a 100 per cent joint life pension with a guarantee, and they die before the guarantee period ends, the pension payment continues at 100 per cent to their spouse for the remainder of their life. If the member and their spouse both die before the end of the guarantee period, the remaining value will be paid according to the member's choices on the *Nomination of Beneficiary* form. Visit college.pensionsbc.ca/naming-and-changing-beneficiaries for more information.

In addition to single and joint life options, a member could elect a temporary annuity.

Temporary annuities are only available on the SLG5 and JLG5 pension options.

Temporary annuities are temporary benefit payments from retirement to age 65 or the member's death, whichever occurs first. This option provides for an increased retirement benefit from retirement to age 65 but permanently reduces the retirement benefit thereafter. Temporary annuities that commenced prior to December 31, 2005, are not indexed for inflation. Temporary annuities that commence after December 31, 2005, are currently indexed for inflation.

Choosing a pension option

Here are some things the member should consider when choosing an option:

- Does the member have a spouse?
- Does the member wish to provide payments to their beneficiary(ies) after death?
- Does the member have a former spouse who has an

entitlement to a portion of the pension?

- If the member is widowed, do they have dependent children?
- Does the member have serious health problems?
- What other retirement income does—or will—the member have?

Members can visit college.pensionsbc.ca/change-your-pension-option for more information on this topic.

4.5 When a member is retiring

When a member is planning to retire, they should apply for retirement by signing in to My Account at college.pensionsbc.ca. If the member prefers to apply by mail they can contact the plan to request a Retirement Application Package. To be eligible to apply for retirement, the member's retirement benefit effective date must be no more than 90 days in the future.

When members have not yet reached retirement age or are not sure of when they wish to retire, there are several resources available to provide them with a pension estimate (see below).

Terminated members with contributions on deposit may contact us for an estimate.

4.5.1 Member's Benefit Statement

We provide each active member an annual *Member's Benefit Statement*. Statements will be sent to you for distribution. Members may also sign in to My Account to view their latest statement.

The statement gives current and future pension estimates and gives a summary of the member's contribution and service history in the plan.

4.5.2 Online pension estimator

Members can do their own estimate using the personalized pension estimator available on our website through My Account. The personalized pension estimator has been loaded with each member's current service and salary information. The information can be modified to create estimates for a number of different scenarios, including:

- retirement dates,
- salary, and
- service assumptions, including purchases.

See section 4.6 for limitations on calculations.

4.5.3 Retirement webinars

The corporation provides retirement webinars for members of the College Pension Plan. The webinars are regularly scheduled or may be requested by employers and employer/employee associations. Members can find a description of the webinars, the schedule and register on the plan website, college.pensionsbc.ca.

All members are welcome to attend, including those receiving benefits under an LTD plan.

4.5.4 Additional information about the pension plan

Pension plan forms and resources are available on the plan website. Members can contact the plan with questions they may have about benefits. Please see the contact list in the front of this manual for details.

4.6 Retirement planning and application

The retirement process is two steps—**planning** and **application**.

Retirement planning—member logs into My Account on our website and uses the personalized pension estimator to explore their pension options.

If the member is retiring they can sign in to My Account, request a pension estimate and apply for retirement. If they are unable to perform an estimate on the personalized pension estimator or request an estimate and apply for retirement

online, they should contact the plan and we will provide them with a pension estimate and retirement application package.

The estimator allows members to choose as many scenarios as they wish. The amount shown on the estimator can help the member plan their retirement, unless there are circumstances that may affect their retirement benefit (e.g., they have a marital breakdown, have received long-term disability service during their career, have service in another plan, or have more than 12 months pensionable service in a year).

Members should also be encouraged to attend a retirement webinar. Members can view the schedule and register on the plan website, college.pensionsbc.ca.

Retirement application—when the plan receives the *Estimate Request* through My Account, we will provide a *Pension Estimate* and the retirement application package to the member. This package contains everything the member needs to apply for a retirement benefit from the College Pension Plan.

See employer forms
on the website at
college.pensionsbc.ca.

When the member has decided on their exact retirement date, they can sign in to My Account and apply to retire online. You will also be required to make the retirement declaration when submitting the Employee Information at Termination/Retirement online. You will need to provide us with the member's termination date, group benefit cancellation dates if applicable, and provide the final salary, service and contribution information. The salary, service and contributions reported must be the same as those that appear on the *Payroll Report*.

4.6.1 Pension estimate

When a member applies online for a pension estimate, they will receive a detailed, researched estimate of options, including the estimated retirement benefit payment under the various options.

4.6.2 Selecting the pension option

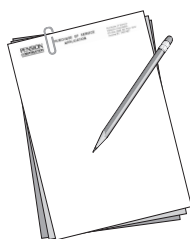
A member's *Pension Estimate* may provide up to 11 options to choose from—if the member has a spouse—if not, only the four single life options apply.

These options are:

1. Single life with a five-year guarantee
2. Single life with a 10-year guarantee
3. Single life with a 15-year guarantee
4. Single life with a five-year guarantee and a temporary annuity
5. 100 per cent joint life with a five-year guarantee
6. 100 per cent joint life with a 10-year guarantee
7. 100 per cent joint life with a 15-year guarantee
8. 100 per cent joint life with a five-year guarantee and a temporary annuity
9. 60 per cent joint life with a five-year guarantee
10. 60 per cent joint life with a 10-year guarantee
11. 60 per cent joint life with a 15-year guarantee

The member must advise the plan of their selection by logging into My Account and applying for retirement online. A member who has a spouse must select one of the joint life options with at least 60 per cent payable to the spouse after the member's death, unless the spouse waives this right by completing the *Form 4: Spouse's Waiver of Beneficiary Right to Benefits in a Pension Plan, Locked-in Retirement Account, Life Income Fund or Annuity Before Pension or Annuity Payments Start* (which is available when logged into My Account and applying for retirement online).

4.6.3 Spousal Declaration



The member must complete and submit a *Spousal Declaration* form to us when they are applying for retirement online. The form is used to declare the member's spousal status, whether they are single, living common-law or legally married. This form must be signed no more than 90 days prior to the member's retirement benefit effective date.



4.6.4 Spouse's waiver of entitlements

If the member has a current spouse, the member must select one of the joint life pensions. The member's spouse can choose to waive this entitlement by completing the *Form 2: Spouse's Waiver of 60% Lifetime Survivor's Benefit and/or Beneficiary Rights From a Pension Plan or Annuity After Payments Start* available at college.pensionsbc.ca/submit-a-form-to-waive-your-death-survivor-benefit-after-retirement. This form must be signed no more than 90 days prior to the member's retirement benefit effective date.

4.6.5 Nomination of beneficiary(ies)

The nomination of beneficiary(ies) at retirement is separate from any pre-retirement beneficiary nomination (see section 1.2) the member may have made with respect to pre-retirement death benefits. A beneficiary nominated for pre-retirement death benefits will not automatically become a beneficiary for the pension.

If a member chooses a joint life pension, the beneficiary nominated at retirement must be the spouse and cannot be changed, although the member can nominate an alternate for the guarantee portion in case the spouse dies before the member. For more information, consult college.pensionsbc.ca/how-your-beneficiaries-will-be-paid.

A beneficiary nominated for pre-retirement death benefits will not automatically become a beneficiary for the pension.

If the spouse has waived their right to 60 per cent of the pension and the member has selected a single life option, then the spouse is the beneficiary during the guarantee period unless stated otherwise on the waiver form. If the spouse allows the member to elect another beneficiary(ies), the member may change beneficiary(ies) at any time prior to their (member's) death or the end of the guarantee period.

If the member does not have a spouse and chooses the single life guarantee option, they can change beneficiary(ies) at any time prior to their (member's) death and the end of the guarantee period.

At the time the benefit is to be paid, we will require:

- the social insurance number and date of birth of any person beneficiary, and
- the CRA registration number of any beneficiary that is an organization.

4.6.6 Automated direct deposit system

Retirement benefit payments are deposited directly into the member's bank account if the member lives in Canada or the U.S. Direct deposit of retirement benefit payments to banks outside of Canada or the U.S. is not possible.

The accuracy of the banking information is critical in ensuring that the retirement benefit is paid on time.

The deposit information is provided by the member when they sign in to My Account and apply online for retirement. If the member wants their retirement benefit payment deposited to a U.S. bank, they will need to submit a *U.S. Direct Deposit Authorization* form available at college.pensionsbc.ca/apply-for-direct-deposit-to-a-u.s.-account. If the retirement benefit payment is to be deposited to an account on which cheques can be issued, a sample cheque should be attached and clearly marked "VOID" on the face of the cheque.

If a voided cheque is not provided, the member must take the application form to their bank and have a bank official verify/complete the banking data before submitting the application.

4.7 To start the retirement benefit

Once a member is within 90 days of their actual retirement date they may sign in to My Account and apply for retirement.

Pensions are not paid for partial months.

The member's last paid day is recommended to be as close to the end of a month as possible because retirement benefit begins the first of the month following the last paid day.

You must submit Employee Information at Termination/Retirement online within 14 days of termination or as soon as the final payroll has been completed.

Select the EITR Submitted Report to view all the member information you have submitted within a specific time frame.

By submitting the data online, you are also declaring that the employee has not pre-arranged or does not retain a right to return to work (see 4.7.1 Retirement declaration below). Sign in to the Employer Login section of the website; select Employer Reporting and then select Employee Information at Termination/Retirement. Follow the prompts to enter the data. Print a copy for your records and a copy for the employee.

If you determine that the data needs to be amended, you will need to complete and send the *Amended Employee Information at Termination/Retirement* form as soon as possible. This form is available in the Employer Forms section on the web.

The member's retirement benefit is effective the first day of the month following their final paid work day, or the first day of the month in which we receive their completed application package, whichever is later.

Retirement benefit payments are normally deposited two banking days before the end of the month.

4.7.1 Retirement declaration

For pension purposes the plan member and the employer must submit a retirement declaration to ensure that the definition of "termination of employment" has been met. The employer will make their declaration using the online EITR tool. The plan member will sign and submit a *Retirement Declaration* form to the plan with their online retirement application.

The *Retirement Declaration* form states that no agreement exists for the plan member to come back to work after retirement with the employer, and that no right has been established for the employee to return to work with the employer.

The declaration does not prevent a member from coming back to work with the same employer from which they retired, provided there has been no casual or formal discussion or commitment made before the member's retirement benefit

effective date, for the retiring employee to return to work. If the member returns to work with the same employer before their retirement benefit effective date, the member and employer are considered to have made an agreement for the member to return to work.

4.7.2 Agreement for the member to return to work

Under the plan rules, termination of employment has not occurred if an employer and a member (or the member's bargaining agent, on behalf of the member) have made an agreement for the member to return to work or establishing a right for the member to return to work.

4.8 After the retirement benefit starts

4.8.1 Changing the retirement benefit option

Members may be able to change their pension option by informing the plan, in writing, within 60 days after their retirement benefit has been granted.

Members may be able to change their pension option by informing the plan in writing, within 60 days after their retirement benefit has been granted. After that time, the pension option selected is irrevocable.

The date a retirement benefit is granted is the later of:

- the effective date of the retirement benefit, or
- the date of the letter advising the member of their final retirement benefit amounts.

Members can contact the plan if they have questions about changing their pension option.

4.8.2 Cost-of-living adjustments (“indexing”)

In January of each year, if there are sufficient funds in the inflation adjustment account, members will receive a cost-of-living increase to their pension of up to 100 per cent of the increase in the Canadian Consumer Price Index. As of January 1, 2011, trustees set a maximum sustainable cap on cost-of-living increases after analyzing the inflation adjustment account. A member's first increase will be prorated based on the number of payments they receive in the calendar year the retirement benefit begins.

4.8.3 Income tax

Pensions are taxable. We will deduct income tax based on the pension amount we pay the member (i.e., single person tax rules). If the member has other sources of income, it is their responsibility to ensure they pay sufficient income tax. The member may choose to complete a TD1 and TD1BC to have additional tax deducted, or to claim additional tax credits.

Retired members should contact Pension Services if they need more information.

4.8.4 Changes to retirement benefits in pay

Any time the amount of a pension payment changes (e.g., indexing is applied, the member turns 65 and the bridge benefit stops, income tax changes), we will send a pension statement letter to the member notifying them of the change. We also send a pension statement letter to members each January and July.

4.8.5 Retroactive pay after retirement

Plan members can request to have retroactive salary paid after retirement treated as pensionable earnings. We will not amend a pension where the additional contributions are less than \$100 because of the insignificant impact on the pension created by the additional salary. Before automatically deducting contributions, you should ask the member if they want it treated as pensionable salary.

If contributions are deducted, the salary and contribution information should be reported on your annual *Payroll Report*. See section 7 for reporting instructions.

As with regular reports and remittances, do not deduct pension contributions from non-pensionable salary, such as payment in lieu of vacation or for overtime (see section 7). Contact us if you have questions concerning these payments and deductions.

4.9 Other retirement income

Remember, if the member has other sources of income, it's their responsibility to ensure that they pay sufficient income tax.

The College Pension Plan is only one source of retirement income. Plan members may also have retirement income from other pension plans, income from personal retirement savings such as RRSPs or other investments, and income from federal government pension plans—the Canada Pension Plan (CPP) and old age security (OAS).

Payments of other types of retirement income do not affect the payment of pensions from the plan.

4.9.1 Canada Pension Plan (CPP)

The Canada Pension Plan is a pension plan administered by the federal government that is designed to replace a portion of employment income in case of retirement, death or disability. Most working Canadians contribute to the Canada Pension Plan on employment income up to the [YMPE](#) (year's maximum pensionable earnings).

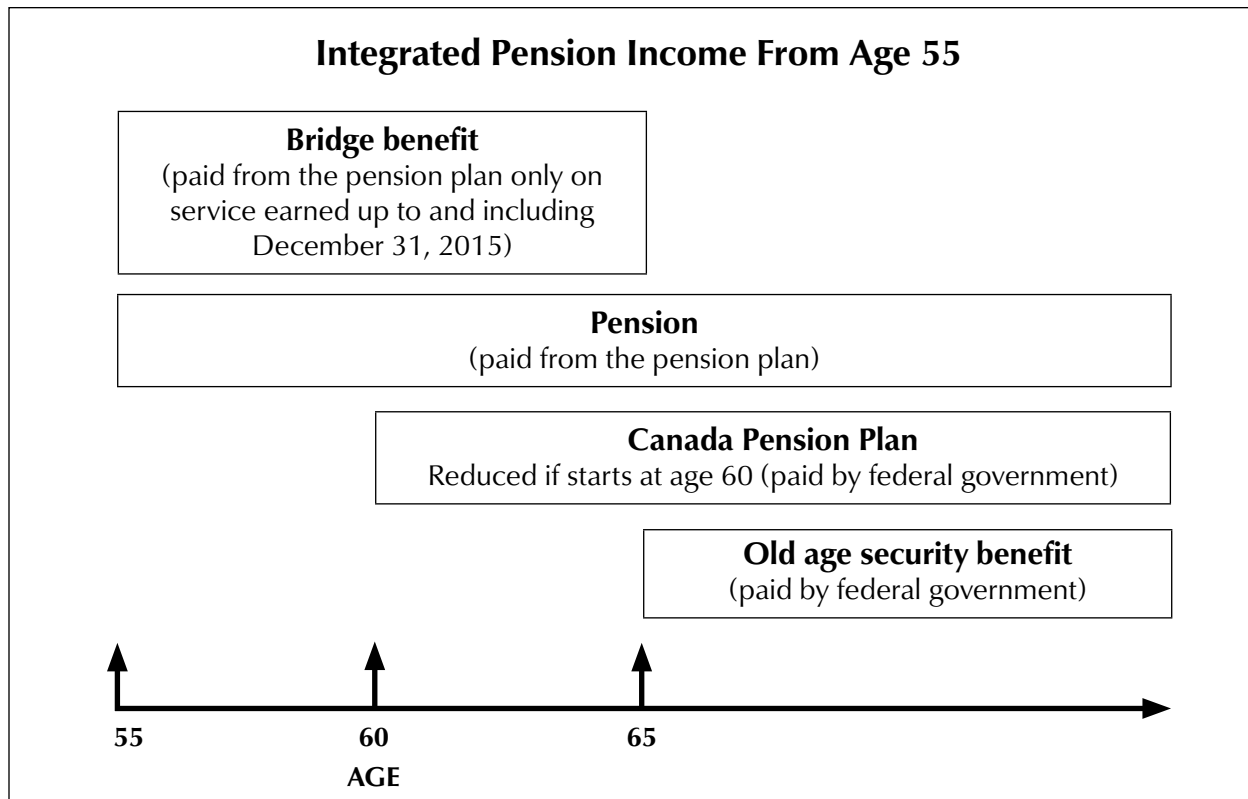
Benefits may be payable from age 60 if the member is no longer a contributor to the Canada Pension Plan. Benefits will be reduced if the member starts receiving them before reaching age 65.

4.9.2 Old age security (OAS)

Old age security (OAS) is a federal income security program that provides basic pension income to all people who meet the residency requirements, starting at age 65. Other benefits may be available to low-income earners, including the guaranteed income supplement and the allowance as early as age 60.

4.9.3 Applying for federal pensions

Members must apply to Service Canada for CPP and OAS benefits—the benefits will not be paid unless the member applies. See Service Canada under Pensions in the blue pages of the phone book, or check their website at servicecanada.gc.ca. Members can apply up to 12 months before their 65th birthday. Anyone over age 65 should apply immediately so as not to lose any benefits.



4.10 Early Retirement Incentive Program (ERIP)

To ease workforce adjustments such as downsizing or re-organizing, you can elect to pay the extra cost of offering employees early retirement incentives. These incentive packages may include special arrangements for altering eligibility for unreduced pensions. Please note that plan members can never start their pension before their earliest retirement age. If you are considering ERIP packages involving the pension plan, you must have the program pre-approved. See our website for further information. When you are ready, you can contact the plan director to discuss details.

Retirement checklist

Did you remember to...

- Contact the Pension Corporation for a researched estimate and a retirement application package for the member?
- Advise the member that if they wish to purchase or transfer their service, they must apply to do so within 30 days of terminating employment?
- Check that the member's last paid day is as close to the end of the month as possible?
- Have the member provide you with proof of age and identity documents?
- Remind your employee they can do their own estimate by signing in to My Account and using the personalized pension estimator?
- Ask the member if they have attended a retirement webinar?
- Submit Employee Information at Termination/Retirement online?

SECTION CONTENTS

5 PRE-RETIREMENT DEATH

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5 PRE-RETIREMENT DEATH

Pre-retirement death benefits are payable from the College Pension Plan when a member dies prior to receiving a benefit from the plan. This may occur when a member dies while still an active member, or when a member terminated employment before dying but had not yet taken a benefit.

The type and amount of the benefit payable depends on the member's age and service, and the rules in place at the date of death. If the member had previously terminated employment, the rules in place at the date of termination are also considered. The benefit may be payable to the member's surviving spouse, named beneficiary(ies) or estate.

5.1 When are pre-retirement death benefits payable?

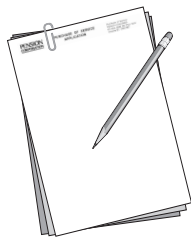
Pre-retirement death benefits are payable when:

- a member dies while still an active member, including:
 - actively contributing to the plan,
 - receiving benefits under an LTD plan,
 - on an approved leave of absence and had not terminated their employment,

or

- when a terminated member dies prior to taking a benefit (i.e., the member's funds are still on deposit with the plan).

5.2 Who is the beneficiary(ies)?



The member's spouse is automatically the beneficiary (unless the spouse has waived entitlement to the pre-retirement death benefit by completing *Spouse's Waiver of Beneficiary Right to Benefits in a Pension Plan, Locked-in Retirement Account, Life Income Fund or Annuity Before Payments Start*).

If there is no spouse, and no named beneficiary on file prior to the date of the plan member's death, death benefits are paid to the plan member's estate. (See Section 1.2 Determining a member's beneficiary for more information).

5.3 What benefits are payable?

Refer to charts on the following pages for benefits available.

The pre-retirement death benefit payable depends on:

- member's age at death,
- years of pensionable and contributory service,
- date of death,
- date of termination of employment, and
- identity of the beneficiary.

For deaths of active plan members

| BENEFIT PAYABLE WHEN THE BENEFICIARY IS A SPOUSE | |
|--|---|
| Plan member's age at death | Benefit payable to surviving spouse |
| Under age 55 (earliest retirement age) | Immediate retirement benefit, or Payment equal to the greater of: <ul style="list-style-type: none"> • Plan member's contributions with interest, or • Commuted value of accrued benefit |
| Age 55 or older | Immediate retirement benefit |

The immediate retirement benefit payable to a spouse is effective the first of the month following the month in which the member died (if the member died April 15, then the pension is payable beginning May 1).

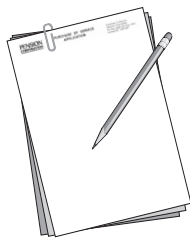
If a spouse is eligible for a commuted value payment, the funds must be transferred to an approved registered retirement vehicle and may be locked-in. Funds transferred in this way are not taxed at the time of transfer. The funds may be used to provide an immediate or deferred pension which cannot start earlier than the month following the month in which the member died.

If the pension is under a set threshold (according to PBSA), the spouse has the option of receiving a commuted value of the benefit payable on a non-locked-in basis. That is, the spouse may choose to take the funds as a cash payment (in the form of a cheque) with tax withheld or transfer the funds on a tax-free basis to a registered retirement vehicle.

| BENEFIT PAYABLE WHEN THE BENEFICIARY IS NOT A SPOUSE | |
|--|--|
| Plan member's age at death | Benefit payable to a beneficiary(ies) or estate |
| Under age 55 (earliest retirement age) | Payment equal to the greater of: <ul style="list-style-type: none"> • Plan member's contributions with interest, or • Commuted value of accrued benefit |
| Age 55 or older | |

When multiple beneficiaries have been nominated, the benefit is split equally unless the member has assigned other proportions. Benefits payable to a named beneficiary or estate are always paid as cash (in the form of a cheque), with tax withheld.

5.4 Employer responsibility



Do not report service or salary or take contributions for any period after the date of death.

When a plan member dies while an active plan member, you must complete and submit a *Certification of Death* and report the member's service, salary and contributions up to the date of death. Submit a copy of the member's death certificate if available. We also require the member's proof of age and identity (see section 1.7) to process the benefit. In the event that a plan member dies while receiving benefits under an LTD plan, you must enter the LTD stop date online (see section 6 for LTD information).

Do not report service or salary or take contributions for any period after the date of death. If you pay the employee's salary to the end of the month in which the member died, any salary or lump sum payments (such as lump sum vacation payouts) that are made on behalf of the member after death are not pensionable. Do not deduct employee or remit employer contributions on lump sum payments.

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6 SHORT-TERM DISABILITY AND LONG-TERM DISABILITY

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6 SHORT-TERM DISABILITY AND LONG-TERM DISABILITY

6.1 Group disability plan application

Many employers have short-term disability (STD) and long-term disability (LTD) policies that provide benefits to employees who become disabled. You may wish to have your STD and/or LTD policy approved for pension purposes by the College Pension Plan.

Do not submit Employee Information at Termination/Retirement online while a member is receiving benefits under an LTD plan.

If a member is receiving benefits under an LTD plan, neither the employer nor the member contributes to the College Pension Plan on the benefits paid by the disability plan, but the member still accrues pensionable and contributory service. During this period, the member is still considered to be an employee for pension purposes, even if you terminate their employment for other reasons. For example, if you are no longer required to maintain a position for the member because the “two-year-own occupation” time frame has passed, the member is still considered to be an employee for pension plan purposes.

See sections 6.2 and 6.3 for instructions on reporting STD and LTD online for members benefits under an LTD plan.

If a member is receiving benefits from an STD or LTD policy that is not approved for pension purposes by the College Pension Plan, the member will be either on a leave of absence or their employment will be terminated, depending on your employment practices.

6.1.1 Group disability plan approval criteria

The College Pension Board of Trustees has set out the following criteria for the approval of a group disability plan. All three criteria must be met before a group disability plan can be approved:

1. The group disability plan policy must provide for continuous coverage during the period the plan member is disabled until the plan member:
 - attains age 65,
 - accrues 35 years of service, or
 - returns to active employment.
2. The group disability plan policy must provide that the benefits paid during the period of disability will replace at least 50 per cent of the salary the plan member earned during employment immediately prior to the disability period.
3. The group disability plan policy must include a definition of disability which takes into consideration the plan member's vocation, training, education and experience.

6.1.2 Applying for LTD policy approval

Please complete a *Group Disability Plan Application* form if you have an LTD policy that you would like to have approved as a group disability plan.

If you have more than one LTD policy to cover different groups of employees, each policy needs to be approved individually.

If you also have an STD plan that you would like to be approved as a group disability plan, please complete a *Linkage of Short-Term and Long-Term Disability Plans Application* form.

If you have more than one STD or LTD policy to cover different groups of employees, each policy needs to be approved individually.

To apply to have your LTD policy approved, submit the Group Disability Plan Application form and required attachments to the Policy Branch of the Pension Corporation. If your LTD policy meets the criteria and is approved by the Pension Corporation as an approved group disability plan, we will notify you and update our records.

If the policy does not meet the criteria, we will notify you, and you will have the option of amending your policy and re-applying.

If you change LTD carriers or any terms of the LTD policy, you need to contact the Policy Branch of the Pension Corporation to ensure that the policy still meets the criteria. If the new terms do not meet the approval criteria, we will notify you so you can change the policy to meet the criteria.

If your LTD policy changes or is amended, you will be required to submit a *Group Disability Plan Application* form and supporting documentation to the Policy Branch of the Pension Corporation to confirm the policy still meets the criteria. The form is available on the secure employer website under *Forms*.

6.1.3 Annual LTD policy validation process

All organizations are required to validate their group disability policy information annually. If you have an approved group disability policy, you will sign into the secure employer website to access the online LTD Policy Validation tool to confirm your LTD information.

If you do not have an approved group disability plan, you will still need to sign into the secure employer website to access the online LTD Policy Validation tool to confirm that you do not have an approved LTD policy (policies).

Prior to completing the annual validation process for the first time, you will need to identify the person(s) in your organization who should have access to validate the details of your LTD Policies. Your primary or secondary user will have to assign the role of LTD Policy Validator to these individuals. Only staff with the LTD Policy Validator role can access the online LTD Policy Validation tool.

Access to the tool is through a link on the secured employer section of the pension corporation website, and is available for a limited time. On selecting the link during the LTD Policy Validation window, your LTD Policy Validator will see a list of all of your open approved LTD policies. We require the LTD Policy Validator to review the details of each policy, and

validate that the policy is CORRECT, REQUIRES UPDATE, or has been TERMINATED. If a policy has been terminated, the termination date is required.

If a message is displayed showing that we have no open approved LTD policies on record for your organization, you are required to validate that this statement is CORRECT. If the statement is incorrect, select REQUIRES UPDATE.

If the validation process reveals that the information on file about your LTD policy is out of date, you will be required to submit a Group Disability Plan Approval form and supporting documentation to the Policy Branch of the Pension Corporation. The form is available on the secure employer website under *Forms*.

6.1.4 Group disability plan benefits end

If a member returns to work after their benefits under an LTD plan end, the member will recommence contributions, and remain an active plan member.

If a member does not return to work after their benefits under an LTD plan end, the member will either be on an approved leave of absence, or their employment will be terminated, depending on your employment practices.

If the member's employment is terminated you should submit Employee Information at Termination/Retirement online.

If the member is under age 65, the member may be eligible to apply for a disability benefit. If the member does not wish to apply for, or is not eligible for a disability benefit, the member may apply for their retirement benefit or termination benefit under the usual rules.

Submit Employee Information at Termination/Retirement online if the member stops receiving benefits under an LTD plan but does not return to work.

6.2 Short-term disability (STD)

STD benefits are full or partial replacement earnings that a member receives from you, an insurance company, or a trust company. STD benefits are usually received when an illness or injury is not work related (which would be covered by WorkSafeBC) and the member does not yet qualify for long-term disability (LTD). STD may also be called “paid sick leave” or “weekly indemnity benefits”.

If you are paying STD to a member through your payroll system, you must report service and salary and remit contributions based on the member’s work schedule and salary before the disability. On your annual report this service, salary and contributions is reported as service event type Regular (RG). See section 7.

EXAMPLE

If the member worked 100% before STD, report 100% service, salary and contributions.

If the member worked 53% before STD, report 53% service, salary and contributions.

If a third party (e.g. an insurance company or trust company) is paying the STD directly to the member, then the member is considered to be on LTD for pension purposes. Submit the member’s LTD start date online using the STD start date.

6.3 Long-term disability (LTD)

LTD is an approved group insurance plan that pays replacement earnings to qualified members.

For pension purposes, the LTD start date is the date the approved group disability plan approved the members' LTD claim.

Once the member has been accepted on LTD, they:

- continue to accumulate pensionable and contributory service in the pension plan as if they were still working, and
- their highest average salary, which is used to calculate their retirement benefit, will be indexed to keep pace with the cost of living.

Members on LTD can view their pension information, and access online tools like the personalized pension estimator, through My Account.

6.3.1 Reporting long-term disability (LTD) information

You must notify us as soon as you are aware that a member has started or stopped LTD.

Based on the LTD start information, the member receives LTD pensionable and contributory service credited automatically to their account in each segment.

It is important to enter the member's LTD stop date as soon as the period of disability coverage ends so that excess LTD service is not automatically credited to the member's account.

If any errors occur while you are submitting LTD information, you may receive a message requesting that you correct and resubmit the information.

Once the data has been submitted, the data goes through a verification process, if no errors are found it will be credited immediately to the member's account.

If errors are identified during the verification process, we will follow up with the person submitting the data.

6.3.2 Long-term disability (LTD) reporting options

There are **three ways** for you to report your members' LTD information: individual record, standard format file or Excel file.

6.3.2.1 *Individual record*

Sign in to the secure employer website and access the Employer Portal; select Employer Reporting and then select LTD Start/Stop. Select Employee Lookup. Follow the prompts to enter the mandatory data.

When you have entered the members information you will be able to:

- view the member's LTD history.
- enter the LTD start date if there is **not** an existing open LTD break for the member.
- enter the LTD stop date if there **is** an existing open LTD break.

Optional Service Event:

If you are entering a LTD start, you can record regular (RG) service, salary, and contribution information that you paid to the member in the current segment prior to their LTD start date.

If you are entering LTD stop, you can record rehabilitation (RH) service, salary, and contribution information that was paid during the current segment while the member was on LTD.

Note that the data entered here **does not** transfer to your member's account. The applicable RG and RH service event types (see section 7) **must** be included on your payroll report as separate lines of data.

If you enter information here, you can access it at any time on the website by selecting the RG/RH Reconciliation Report. This report can help you create your payroll report or create a secondary report to supplement it.

If your organization currently reports your members' RG/RH information on your payroll report, you may not need to complete this section.

The start date must be on or after July 28, 2014 (online LTD tool implementation date).

LTD Start and Stop Submitted Report:

This report allows you to view all submitted LTD start and stop information, track employees on LTD, and reconcile service event starts and/or stops.

Access the report from the Employer Portal. Click *Employer Reporting > LTD Start/Stop*. To generate a report, select *LTD Start/Stop Submitted Report*, enter the applicable start and stop dates then click *Generate Report*. If any information has been submitted by the Pension Corporation on your behalf, it will appear on your next report.

6.3.2.2 Standard format file

You can report LTD information for multiple members at the same time by using a standard format file, which is the preferred method of providing data. A Standard format file is a fixed width file requiring a Header record that identifies the contents of the report, and a Trailer record that provides totals of the records within the file.

The requirements for the LTD Standard format file report are located in the Employer Portal. Click *Employer Reporting > Reporting Instructions*. The *Header and Trailer Record Layout* instructions are in the same location.

The applicable RG and RH service event types (see section 7) **must** be included on your payroll report as separate lines of data.

Reporting salaries on Standard format files and Excel files:

It is **imperative** that the base salary you report reflects the salary at 100% full-time work.

In the “Base Salary Frequency” field, enter the frequency that you pay the member their base salary:

- bi-weekly (BW),
- monthly (MN), or
- annually (AN).

If a member works at less than 100%, report the salary at 100% equal to the frequency you pay the member.

EXAMPLE

A member owns an 80% position and is paid \$60 000 annually (which is 80% of a full-time annual salary of \$75 000).

When reporting this member's information, you must provide us with the member's percentage (in this case, 80%) as well as the salary the member would be making if they were working in a 100% position (in this case, \$75,000).

Using this information, our system will convert the \$75 000 salary that you report to \$60 000. This converted salary will be used to create the member's Pension Adjustment (PA) and *Member's Benefit Statement* (MBS).

6.3.2.3 Excel file

If you are not able to submit in Standard format, you can create an Excel file to report multiple members' LTD information at the same time.

In the Excel file, you must provide the data in the correct column order with no header row. You can find instructions in the *LTD Service Break Report Layout* document in the Employer Portal. Click *Employer Reporting > Reporting Instructions*.

The applicable RG and RH service event types (see section 7) **must** be included on your payroll report as separate lines of data.

6.3.3 Position owned (%)

Enter 100 in this field if the member owns a 100% full-time position. If the member owns a part-time position, enter the corresponding percentage. This number is based on the member's owned position, not the hours worked.

EXAMPLE

If the member owns a 63% position, but usually works 89%, enter 63.

6.3.4 WorkSafeBC compensation

There are two options for members receiving WorkSafeBC compensation:

Option 1: Replacement salary is paid directly to the member by WorkSafeBC

Replacement salary paid directly to the member by WorkSafeBC is **not** pensionable. Service, salary and contributions are not reported. For pension purposes the member is deemed to be on an unpaid leave of absence and they may be able to purchase this period of time under the plan's leave of absence purchase provisions (see section 2).

Option 2: Replacement salary is paid to the member through your payroll process

If you receive a member's WorkSafeBC replacement salary and pay the member through your payroll system, the earnings **are** pensionable. You and the member must make contributions on these earnings.

The member cannot be on approved LTD during this payment period. If WorkSafeBC replacement salary is less than their normal percentage of full-time salary and service, they may be able to purchase the difference (see section 2).

6.3.5 Retroactive WorkSafeBC compensation

It is common for a LTD claim or a WorkSafeBC claim to be approved retroactively. For pension purposes, a retroactive claim is one with dates for prior year(s).

Possible scenarios:

- If the member receiving a benefit under an LTD plan, retroactive WorkSafeBC replacement salary is **not** pensionable.
- If the member is not on LTD and the WorkSafeBC claim is retroactively paid, the period **must** be purchased as arrears (see section 2).
- If WorkSafeBC has been sending you the member's replacement salary to be paid through your payroll, and then the LTD carrier backdates the member's LTD start date, request a refund of overlapping ineligible contributions (see sections 7 and 8).

6.3.6 Rehabilitation (RH) salary

If a member returns to work on a rehabilitative trial, the service, salary and contributions paid to them are reported as service event type RH on your segment report (see section 7).

Although the RH data you report **is not** used in the calculation of the retirement benefit, the LTD service and salary credited during this period **is** used.

6.3.7 Long-term disability (LTD) termination date

For pension purposes, a member on LTD is **not** considered terminated even if you have removed them from your payroll system for any reason. You will still be required to confirm the member's information on the segment LTD Confirmation Report.

For pension purposes, the member's LTD stop date is the earlier of:

- the date the claim ends per the terms of the approved group disability plan, or
- the member's date of death

If the member is age 55 or older, but under age 65 and their LTD stops, the member may apply for either a retirement benefit or a disability benefit.

If the member is under age 55 and their LTD stops, the member may apply for a disability benefit. If the member does not wish to apply for or is not eligible for a disability benefit, the member is eligible for the regular termination of employment options (see section 3).

If a member terminates employment at the end of their LTD, you must:

- submit LTD stop information online.
- submit Employee Information at Termination/Retirement online if the member is not returning to work.
- have the member complete the pension forms, including the pension application, if they are proceeding directly to pension.

Please note: the LTD stop information must be submitted before the Employee Information at Termination/Retirement; both dates can be entered on the same day.

Members who recommence contributions to the plan are still active plan members and are not entitled to any retirement or termination benefits until they have terminated employment.

In the case of the member's death, submit the LTD stop information online. You must also complete and submit a *Certification of Death* form.

These forms are located on the secure employer website under *Forms*.

6.3.8 Change of long-term disability (LTD) carrier/plan

If you change carriers or any terms of your existing approved group disability plan(s), you must follow the approval process outlined earlier in this section.

6.3.9 Payroll reporting and long-term disability (LTD) members

To avoid overlapping service events, the effective start date and effective end date for each member on your payroll report must reflect the actual period of time worked.

If a member is accepted on LTD, their LTD start date will only be accepted if the end date for their regular (RG) service event prior to the LTD was submitted correctly. For further payroll reporting information see section 7.

EXAMPLE

If a member's last day at work is May 10, May 10 should be the end date for the RG service event on your payroll report.

If the member is accepted on LTD on May 11, and you enter this date as the LTD start date online, it will be accepted.

After a member has been accepted on LTD and their LTD information has been entered online, the only service, salary and contributions that can be reported on your payroll report is service event type rehabilitation (RH). RH earnings may include salary top up, period(s) the member has returned to work on a trial basis, and any pensionable salary that the collective agreement stipulates must be paid to the member (e.g. sick leave).

6.3.10 Pensionable service overlap

A member on LTD receives pensionable and contributory service posted to their account as service event type LT if they were on LTD for any period during the segment.

In the year that the member starts or stops LTD, an overlap of service may occur if the LTD service we post and your payroll reported service goes over the maximum allowable. If this occurs, we will reduce the LTD pensionable and/or contributory service and make any adjustments you have identified.

6.3.11 Ineligible service, salary and contributions

In some cases a member's LTD acceptance from the carrier is backdated. If you have been paying the member through the normal payroll process (e.g. using sick leave, other leave banks or WorkSafeBC replacement salary) and have previously reported this service, salary or contributions, you may need to apply for an ineligible refund (see sections 7 and 8).

If you need assistance determining what service, salary or contributions may be ineligible, send us details through a Message Board topic or contact your plan.

6.3.12 Pension adjustment (PA)

When a member has been approved for LTD, service accumulates in their account and they will receive an annual PA statement to file with their income tax return (see section 9).

The benefit entitlement (BE) for a member receiving LTD is calculated using the salary at the start of the LTD period. Cost of living adjustments are also factored into the calculation.

6.4 LTD Confirmation Report

Once per segment, an LTD Confirmation Report is posted in the File Pick-up tool in the Employer Portal. Click *Employer Reporting > File Pick-up*.

This report summarizes the information for all your members who are or have been on LTD during the segment for which the report is created. The report only contains posted LTD information that has been successfully entered on your members' accounts prior to the Create Date identified in File Pick-up.

The LTD Confirmation Report contains the following information:

| COLUMN TITLE | DESCRIPTION |
|------------------|---|
| Plan | CPP |
| Org | Your employer number |
| PLAN_ABBREV_NM | CPP |
| Last Name | Member's last name |
| First Name | Member's first name |
| SIN | Member's SIN |
| EEgrp | Member's employee group (e.g. 04GENRL) |
| % FT | Percentage the member is entitled to as identified at the LTD start date. |
| Empl Break Start | Member's LTD start date as entered online |
| Empl Break End | Member's LTD stop date as entered online |
| SE Start Date | Member's LTD start date if the LTD started in the current segment. If the LTD start date is not in the current reporting segment, it will be the first day of the calendar month in the current segment. |
| SE End Date | Member's LTD stop date if the LTD stopped in the current segment. If the LTD stop date is not in the current reporting segment, it will be the last day of the calendar month in the current segment. |
| Pensionable Srvc | The full amount of service for the segment or prorated service if the start date is in the current segment (see example below). |
| Contrib Srvc | Contributory service displayed in full months for each month or partial month the member was on LTD for the segment. |
| Barg. Unit | Member's union affiliation and/or bargaining association (note: currently not a mandatory reporting requirement upon member's enrollment). |

EXAMPLE

A member is accepted on LTD with a start date of March 10.
The member owns a full time position at 100%.

The LTD pensionable service for the first segment totals
5.7097 months.

To calculate this:

- Prorate service for March (on LTD for 22 calendar days in March) divided by the total calendar days in March: $(22/31 = 0.7097)$.
 - Add five full months of pensionable and contributory service (one full month each for the months April through August).
-

The LTD contributory service for the first segment will be
6 months—one for every month or partial month.

When the August and December LTD Confirmation Reports are posted to File Pick-Up, you **must** review the report and create a Message Board topic confirming your review.

If any information on the report is inaccurate, you will need to provide the correct information:

- If an LTD member is not on the report and should be, submit their LTD start information online.
- If a member is on the report and they have stopped LTD, notify us through a Message Board topic.
- If the % is incorrect, notify us through a Message Board topic.

LTD pensionable and contributory service is posted to members' accounts in September and December. This posted service forms part of the member's benefit entitlement and is included in their *Member's Benefit Statement*. **This is why reviewing and confirming the LTD Confirmation Reports is a critical step.**

6.5 Member disability benefit

A disability benefit is a monthly payment paid to eligible members who have terminated employment and who are totally and permanently disabled.

Members should apply directly to the corporation for a disability benefit.

6.5.1 Eligibility

To be eligible for the disability benefit, a member must:

- be totally and permanently disabled,
- be under age 65,
- have at least two years of contributory service,
- not be eligible to receive benefits from an approved group disability plan,
- have their doctor and a doctor chosen by the College Pension Plan agree that the member is totally and permanently disabled,
- have terminated employment according to the pension plan rules.

For the College Pension Plan, totally and permanently disabled means to be suffering from a mental or physical condition that:

1. prevents the member from engaging in any employment for which the member is reasonably suited by virtue of the member's education, training or experience; and
2. can reasonably be expected to last for the remainder of the member's lifetime.

The member's doctor and a doctor appointed by the corporation must certify, in writing, that the member is totally and permanently disabled.

Once a member has been granted a disability benefit, we may require that the member submit, not more often than once per year, a medical report confirming that the total and permanent disability still exists.

6.5.2 Application deadlines

The member must apply in writing to the corporation within two years of their last contribution (or deemed contribution) to the College Pension Plan.

6.5.3 Pension calculation

The monthly amount of the disability benefit is calculated using the member's accrued pensionable service. It is then converted to the standard options available to retiring members. Please see section 4.6.2.

The benefit pays during the period of disability and for the member's life, as long as the member remains totally and permanently disabled until at least age 65.

Disability benefits:

- are not reduced for early retirement, but do not include the bridge benefit, and
- may provide the member with medical, extended health and dental benefits.

6.5.4 Disability benefit ends

If, after being granted a disability benefit, a medical examination shows that the member is no longer totally and permanently disabled, and they are under age 65, the disability benefit stops.

If the member returns to work and begins contributing again, then the member's eventual retirement benefit or termination benefit is paid as though the disability benefit had never been paid. The member's retirement benefit is not adjusted in any way because of the disability benefit, although the member will not have any service for the period of disability.

If the member does not return to work and does not contribute to the plan again, then they can apply for their retirement benefit or termination benefit under the usual rules. The retirement benefit or termination benefit is paid based on the member's accrued service and salary, with no adjustments.

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7 REPORTING

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7 REPORTING

7.1 Introduction

As a plan employer, you report members' service, salary and contributions to us twice a year. This information is used to determine members' benefit entitlements. When payroll reporting does not match previously submitted payroll information (e.g., in the event of a termination or retirement), we will contact you. See the applicable sections of this manual for reporting details on enrolment, purchases, termination or retirement.

You and your plan member employees make contributions to the College Pension Plan based on your members' pensionable salary. Members' retirement benefits are calculated based on their accrued pensionable service and highest average pensionable salary. The information you report is also used to calculate annual member pension adjustments (PAs), and to generate annual member's benefit statements. See section 9 for more information on PAs.

This section will answer questions you have about how to report Plan Member Record information, service events (service, salary and contributions), along with variances, types of service and methods for submitting your reports. See section 6 for what to do when members are on LTD, and how to correct previously-posted data.

7.2 Web services

The plan provides members and employers with self-serve information via the member and employer websites. The employer website is also the access point to the Employer Portal.

The secure employer website contains links to training information, the *Employer Instruction Manual*, employer news and newsletters, and forms. Employer reporting is done through the Employer Portal.

The Employer Portal provides access to reporting tools, reporting instructions, E-Remittance and User Management,

and allows you to view salary and service for your plan member employees. Access to both the secure employer website and Employer Portal requires registration. See the Web Services section on the employer website sign-in page, accessed from from pensionsbc.ca.

7.2.1 Resources available on the Employer Portal

The Employer Portal is where you will find detailed instructions about employer reporting. You will also be able to access the tools used to report plan member information to Employer Operations. These tools can be accessed via the navigation menu at the top of the Employer Portal home page: Message Board, Plan Member Record Electronic Form, Data Submission, File Pick-up, Reporting Instructions, LTD Start/Stop, LTD Policy Validation and Employee information at Retirement (EITR).

7.2.1.1 Message Board

Message board allows you to communicate securely with Employer Operations. The message board is used exclusively by employers and Employer Operations staff for the purposes of employer reporting. The message board is a secure, central location to access your correspondence regarding confidential data about employer reporting.

7.2.1.2 Plan Member Record Electronic Form

Service, salary, and contributions cannot be allocated to a member who has not been enrolled via a PMR.

In the Plan Member Record (PMR) Electronic Form tool, you can complete and submit your PMRs and view the history of the PMRs you have submitted. If you have existing employees that are not contributing, you can use the Plan Member Record/Member Validation tool to check if they are contributing. You can also use this tool to check if existing employees are or should be enrolled.

7.2.1.3 Data Submission

The Data Submission tool is a secure environment where employers submit plan members' personal, address, spousal, employment and service event (contribution, service and salary) data. Data files are accepted in Excel or standard format, and instant feedback is provided on any formatting errors. You can also view the history of the files you've submitted in the submission history section.

7.2.1.4 File Pick-up

Employer Operations places files in File Pick-up for you to download. For example, your electronic Pension Adjustment file would be available in File Pick-up for you to download.

7.2.1.5 Reporting instructions

On the Reporting instructions page you will find detailed instructions on how to format your data files, including written instructions about both Excel and standard format reporting.

7.2.1.6 LTD Start/Stop

Use this tool to report an employee's LTD Start/Stop information once you receive confirmation from an approved LTD carrier or administrator.

7.2.1.7 LTD Policy Validation

This tool allows employers to access their list of open, approved LTD policies and validate each policy.

7.2.1.8 Employee Information at Termination/Retirement (EITR)

Use the Employee Information at Termination/Retirement tool to enter the termination date and final service, salary, and contributions for members who are terminating employment or retiring.

The EITR Submitted Report allows you to track your submitted EITRs and reconcile data on your payroll report.

7.3 Payroll reporting

Your payroll report is due 10 calendar days after the end of your pay period. This gives us time to process the data and contact you regarding any errors. The information in your report is used to calculate and produce your members' Pension Adjustments (PA) by the end of February.

CPP has two payroll reporting periods (segments) each calendar year:

- Segment one: records your members' pensionable service, salary and contributions paid at any time between January 1 and August 31 (the dates can reflect your payroll dates).
- Segment two: records your members' pensionable service, salary and contributions paid at any time between September 1 and December 31 (the dates can reflect your payroll dates).

Payroll records must be tracked separately for employees with concurrent employments. As of January 1, 2014, you are required to either:

- cap the annualized lowest-paid salary, service and contributions if pensionable service would otherwise exceed 12 months in a calendar year, or,
- report the concurrent employment details for each employment under a separate Service Event Record.

7.3.1 Pensionable salary inclusions and exclusions

Pensionable salary is the portion of a member's salary used to calculate pension contributions and pension benefits. It is made up of the base salary received by a plan member, plus plan-specified inclusions (listed below). To be included as pensionable salary in the plan, income must be regularly recurring compensation, paid on a bi-weekly or monthly basis and not as a lump sum.

Do not report salary that is non-pensionable or was earned prior to the member commencing contributions to the plan.

The following lists may not cover all types of compensation paid to your employees. Contact the College Pension Plan if you have a question about whether a type of salary paid is pensionable or non-pensionable.

Inclusions

- base salary (remuneration or compensation paid uniformly and consistently in each pay period for the performance of regular duties);
- department head allowance;
- senior instructor allowance;
- pay for directed studies;
- distance education tutor salary;
- vacation pay (when vacation time is taken);
- higher salary while acting in a position;
- shift differential;
- extra wage for first aid qualification;
- trade certification;
- leave top-up (paid by the employer for maternity, parental, compassionate care and other forms of leave of absence provided for under the *Employment Standards Act*);
- short-term disability top-up pay;
- WorkSafeBC payments made through the employer;
- WorkSafeBC or LTD top-up payments made through the employer (paid to employees to top up their salaries when receiving WorkSafeBC or benefits under an LTD plan);
- salary while on rehabilitation from long-term disability;
- pay as a result of a grievance settlement (if a period of service is associated with the payment);
- pay for time off in lieu of overtime pay;
- recurring contracts for guided study, music school private lessons, tutoring and marking;
- contracts for services if an employer/employee relationship exists and payments under the contract are regular and recurring;
- pay in respect of overload when allocated to a period of reduced workload in the current year or a future year and paid at straight time (see section 7.3.3.4);
- retroactive pay covering periods during which the member was contributing to the plan, whether received as a lump sum or not; and
- amounts that form a regular and ongoing part of compensation and are expected to normally occur each year.

Exclusions

- overtime pay (i.e., where an employee receives a premium rate of pay in respect of work duties completed over and above regular full-time work hours);
- overload pay when paid in addition to an employee's regular, annual full-time pay (see section 7.3.3.4);
- payments made in lieu of vacation (i.e., an employee is paid a lump sum or regular recurring amount for vacation not taken with no time credited);
- bonuses;
- discretionary merit allowances such as honorariums, performance pay and other incentive based payments;
- expense reimbursements (including vehicle and travel allowances/payments, northern/remote living allowances and reimbursement of tuition fees);
- additional pay in lieu of benefits;
- lump sum severance pay;
- lump sum retirement incentive payments; and
- pay as a result of a grievance settlement (if there is no period of service associated with the payment).

A member can receive other lump-sum forms of compensation for various reasons. To determine whether these types of payments should be recognized as pensionable, please contact the College Pension Plan for advice **in advance**.

7.3.2 Pensionable and contributory service

There are two types of pension plan service used in the College Pension Plan:

- pensionable service, and
- contributory service.

Pensionable service is the actual time worked while contributing to the plan. It is used when determining the amount of the retirement benefit.

Contributory service is the period of a member’s service for which contributions were made by the member or employer. Contributory service is reported as whole months only. If a contribution is made in a month, a whole month of contributory service is reported. It is used to determine the member’s eligibility for a retirement benefit, and any early retirement reduction. See section 4 for more information on retirement benefits.

There are some circumstances where the member may not be working but still accrues pensionable and contributory service (for example, a paid leave of absence).

7.3.2.1 Defining “full time”

For a teaching/instructor position, an employer must establish a full-time basis (typically 15-20 hours per week of classroom time). All of a member’s salary in relation to that full-time position is pensionable. Each member’s individual salary should be reported in full and contributions deducted on the full pensionable salary.

Please note that full time is based on the number of hours (or days) worked in a position and not on the salary level. This means that salary should not be capped at a fixed dollar amount for the purpose of determining full-time service. Compensation for work performed in excess of full-time hours would only be considered “overtime” and not pensionable if the member received a premium rate of pay. Otherwise, all salary is pensionable.

7.3.2.2 Calculating pensionable service

Calculate pensionable service in months for the reporting period using one of the following methods:

Method 1)

$$\frac{\text{Actual number of days or hours worked}}{\text{Maximum (full-time) days or hours available to work in year}} \times 12 = \# \text{ months}$$

EXAMPLE

During segment 1 the member works 1,138 hours out of a possible 1,820 hours for the year.

Pensionable service credited for the segment:

$$1,138 \div 1,820 \times 12 = 7.50 \text{ months}$$

Method 2)

You can also calculate pensionable service by pay period. The following breakdown shows the amount of service to credit for each potential pay period.

12 (monthly) $12 / 12 = 1.0000$ month of service per pay period

24 (twice monthly) $12 / 24 = 0.5000$ months of service per pay period

26 (every two weeks) $12 / 26 = 0.4615$ months of service per pay period

*Occasionally there will be 27 pay periods in a calendar year using this method—regardless of this, each pay period should be calculated as having a potential 0.4615 months of service.

EXAMPLE

A member works full time during the 27 pay period year.

Pensionable service credited:

First segment: 0.4615×18 pay periods = 8.3070 months:
report 8.31 months

Second segment: 0.4615×9 pay periods = 4.1535 months:
report 4.15 months

TOTAL = 12.4605 months

52 (every week) $12 / 52 = .2308$ months of service per pay period

To pro-rate service for part-time members, multiply the result above by the percentage worked during the pay period.

EXAMPLE

In segment 1, member works 50 per cent of full time for 8 of 17 pay periods.

Pensionable service credited for the segment:

$0.50 \times .4615 \times 8 = 1.8460$ months

7.3.2.3 Pensionable service for other work

For other work, such as marking contracts or contracts to teach individual courses, employers must establish a baseline on which to calculate pensionable service. An example would be a marking contract where a person is paid an hourly rate. It would be reasonable to assume that seven hours reflects one full day and service would be based on that full-time equivalent.

For an individual course, the employer needs to determine the time and credit service in relation to the baseline. A compressed course (e.g., a six-week course taught in three weeks) would be treated as pensionable service related to the amount paid (i.e., six weeks of service.)

For contracts where there is a set amount of pay for a “body of work” with no time specified in the contract, the employer must determine the basis for the compensation and the number of hours represented by the compensation amount. For instance, tutors/markers may be paid based on the number of students assigned to them, not by the hours they work. The only exception would be a personal services contract where an employer/employee relationship does not exist. In this case the compensation is not pensionable.

If an employee contributing under a primary position is also performing other work in another position with you, their payroll records must be tracked separately.

7.3.3 Specific salary and service reporting requirements

7.3.3.1 *Non Regular Faculty—Reporting Pensionable Service*

Whether members are regular or non-regular, the plan rules prescribe the same methodology for calculating pensionable service.

A non-regular faculty member with the same workload as a regular full-time faculty member for a given period of employment will receive the same amount of pensionable service. Equally, a non-regular faculty member assigned half of the workload of a regular full-time faculty member for a given period of employment will receive the proportionate amount of pensionable service.

It is possible for a member, either regular or non-regular faculty, to have their service capped and not receive the amount of service corresponding to their amount of work.

For example, if a member earned eight months of pensionable service within the first six months of the year and did not terminate employment for pension purposes (i.e. because they preserve the right to resume employment under a collective agreement), they would receive eight months of pensionable service. However, if the same member terminated

their employment after the first six months of the year, they would only be eligible for a maximum of six months of pensionable service.

7.3.3.2 Service, salary and contributions in excess of 12 months

A member can only accumulate 12 months of pensionable service in the College Pension Plan in a calendar year. Where more than 12 months of pensionable service is accumulated, the salary earned from their employment with the lowest annualized salary is not pensionable and any contributions made on this salary must be refunded.

12 months pensionable service exceeded with a single employer

As of January 1, 2014, you must either cap the annualized lowest-paid salary, service and contributions if pensionable service would otherwise exceed 12 months in a calendar year (see below), or report all salary, service and contributions earned under a separate Service Event Record for each employment.

We will review all reported data, and employee and employer contributions that result in an over-accrual of service will be refunded from the employment with the lowest annualized salary.

EXAMPLE 1—CAPPING

The member has two positions with a single employer: one full-time and one part-time. The employer caps all of the part-time service, salary and contributions because the part-time position has a lower annualized salary.

Employment #1 - Full time annualized salary = \$78,000 (\$6,500/mo.)

Employment #2 - Part time annualized salary = \$67,000 (\$5,583/mo.)

| | EMPLOYMENT | PENSIONABLE SERVICE | CONTRIBUTORY SERVICE | PENSIONABLE SALARY | MONTHLY AVERAGE |
|---------|------------|---------------------|----------------------|--------------------|-----------------|
| JAN-AUG | FT #1 | 8.00 | 8 | \$52,000 | \$6,500 |
| JAN-AUG | PT #2 | 2.50 | 8 | \$13,958 | \$5,583 |
| SEP-DEC | FT #1 | 4.00 | 4 | \$26,000 | \$6,500 |
| SEP-DEC | PT #2 | 1.50 | 2 | \$8,375 | \$5,583 |

One payroll report record (shown in spreadsheet format) will be reported as follows:

Segment #1 (Jan–Aug):

| | | | | | | | | | | | |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | RG | 10GENERAL | 52000.00 | 8.00 | 8 | Required member contributions* | | | 20XX-01-01 | 20XX-08-31 |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|

Segment #2 (Sep–Dec):

| | | | | | | | | | | | |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | RG | 10GENERAL | 26000.00 | 4.00 | 4 | Required member contributions* | | | 20XX-09-01 | 20XX-12-31 |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|

* The member’s total eligible salary under all employments is taken into account when determining when the YMPE will be reached and contributions are deducted accordingly.

EXAMPLE 2—CAPPING

The member has three positions with a single employer: one full-time and two part-time. One of the member’s part-time positions has a higher annualized salary than their full-time position. The employer caps some of the service, salary and contributions in each segment.

Employment #1 - Full time annualized salary = \$78,000 (\$6,500/mo.)

Employment #2 - Part time annualized salary = \$67,000 (\$5,583/mo.)

Employment #3 - Part time annualized salary = \$79,500 (\$6,625/mo.)

| | EMPLOYMENT | PENSIONABLE SERVICE | CONTRIBUTORY SERVICE | PENSIONABLE SALARY | MONTHLY AVERAGE |
|---------|------------|---------------------|----------------------|--------------------|-----------------|
| JAN–AUG | FT #1 | 8.00 | 8 | \$52,000 | \$6,500 |
| JAN–AUG | PT #2 | 2.50 | 8 | \$13,958 | \$5,583 |
| SEP–DEC | FT #1 | 4.00 | 4 | \$26,000 | \$6,500 |
| SEP–DEC | PT #2 | 1.50 | 2 | \$8,375 | \$5,583 |
| SEP–DEC | PT #3 | 2.00 | 2 | \$13,250 | \$6,625 |

One payroll report record (shown in spreadsheet format) is reported for Segment #1 (Jan–Aug) and two for Segment #2 (Sep–Dec) as follows:

Segment #1: The annualized earnings from employment #1 are higher than the annualized earnings from employment #2 and the employee earned 8 months of pensionable service under employment #1. All service, salary and contributions under employment #2 are capped.

Primary payroll:

| | | | | | | | | | | | |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | RG | 10GENERAL | 52000.00 | 8.00 | 8 | Required member contributions* | | | 20XX-01-01 | 20XX-08-31 |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|

Segment #2: The annualized earnings from employment #3 are higher than the annualized earnings from employment #1 and employment #2. All service, salary and contributions under employment #2 are capped, and the service, salary and contributions under employment #1 are partially capped. All service, salary and contributions under employment #3 are reported under a secondary report.

Primary payroll:

| | | | | | | | | | | | |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | RG | 10GENERAL | 13000.00 | 2.00 | 2 | Required member contributions* | | | 20XX-09-01 | 20XX-12-31 |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|

Secondary payroll:

| | | | | | | | | | | | |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | AD | 10GENERAL | 13250.00 | 2.00 | 2 | Required member contributions* | | | 20XX-09-01 | 20XX-12-31 |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|

* The member's total eligible salary under all employments is taken into account when determining when the YMPE will be reached and contributions are deducted accordingly.

Capping salary, service and contributions

You have the option to cap pensionable service and salary when you know the member will exceed 12 months of service in a calendar year. If you choose this option you must cap the lowest annualized salary as shown in the examples below.

EXAMPLE 1—NO CAPPING

The member has three positions with a single employer: one full-time and two part-time. One of the member's part-time positions has a higher annualized salary than their full-time position. The employer reports all the service, salary and contributions in each segment.

Employment #1 - Full time annualized salary = \$78,000 (\$6,500/mo.)

Employment #2 - Part time annualized salary = \$67,000 (\$5,583/mo.)

Employment #3 - Part time annualized salary = \$79,500 (\$6,625/mo.)

| | EMPLOYMENT | PENSIONABLE SERVICE | CONTRIBUTORY SERVICE | PENSIONABLE SALARY | MONTHLY AVERAGE |
|---------|------------|---------------------|----------------------|--------------------|-----------------|
| JAN-AUG | FT #1 | 8.00 | 8 | \$52,000 | \$6,500 |
| JAN-AUG | PT #2 | 2.50 | 8 | \$13,958 | \$5,583 |
| SEP-DEC | FT #1 | 4.00 | 4 | \$26,000 | \$6,500 |
| SEP-DEC | PT #2 | 1.50 | 2 | \$8,375 | \$5,583 |
| SEP-DEC | PT #3 | 2.00 | 2 | \$13,250 | \$6,625 |

The employer reports two payroll report records (shown in spreadsheet format) for Segment #1 and three for Segment #2.

Segment #1 (Jan–Aug): Primary payroll

| | | | | | | | | | | | |
|----------|------|----|----------|----------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | RG | 10GENERL | 52000.00 | 8.00 | 8 | Required member contributions* | | | 20XX-01-01 | 20XX-08-31 |
|----------|------|----|----------|----------|------|---|--------------------------------|--|--|------------|------------|

Secondary payroll (employment #2)

| | | | | | | | | | | | |
|----------|------|----|----------|----------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | AD | 10GENERL | 13958.00 | 2.50 | 8 | Required member contributions* | | | 20XX-01-01 | 20XX-08-31 |
|----------|------|----|----------|----------|------|---|--------------------------------|--|--|------------|------------|

Segment #2 (Sep–Dec): Primary payroll

| | | | | | | | | | | | |
|----------|------|----|----------|----------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | RG | 10GENERL | 26000.00 | 4.00 | 4 | Required member contributions* | | | 20XX-09-01 | 20XX-12-31 |
|----------|------|----|----------|----------|------|---|--------------------------------|--|--|------------|------------|

Secondary payroll (employment #2)

| | | | | | | | | | | | |
|----------|------|----|----------|---------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | AD | 10GENERL | 8375.00 | 1.50 | 2 | Required member contributions* | | | 20XX-09-01 | 20XX-12-31 |
|----------|------|----|----------|---------|------|---|--------------------------------|--|--|------------|------------|

2nd Secondary payroll (employment #3)

| | | | | | | | | | | | |
|----------|------|----|----------|----------|---|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | AD | 10GENERL | 13250.00 | 2 | 2 | Required member contributions* | | | 20XX-09-01 | 20XX-12-31 |
|----------|------|----|----------|----------|---|---|--------------------------------|--|--|------------|------------|

* The member’s total eligible salary under all employments is taken into account when determining when the YMPE will be reached and contributions are deducted accordingly.

EXAMPLE 2—NO CAPPING

The member has two positions with a single employer: one full-time and one part-time. The employer takes contributions on all employments.

Employment #1 - Full time annualized salary = \$78,000 (\$6,500/mo.)

Employment #2 - Part time annualized salary = \$67,000 (\$5,583/mo.)

| | EMPLOYMENT | PENSIONABLE SERVICE | CONTRIBUTORY SERVICE | PENSIONABLE SALARY | MONTHLY AVERAGE |
|---------|------------|---------------------|----------------------|--------------------|-----------------|
| JAN–AUG | FT #1 | 8.00 | 8 | \$52,000 | \$6,500 |
| JAN–AUG | PT #2 | 2.50 | 8 | \$13,958 | \$5,583 |
| SEP–DEC | FT #1 | 4.00 | 4 | \$26,000 | \$6,500 |
| SEP–DEC | PT #2 | 1.50 | 2 | \$8,375 | \$5,583 |

The employer reports two payroll report records (shown in spreadsheet format) in each segment as follows:

Segment #1 (Jan–Aug): Primary payroll

| | | | | | | | | | | | |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | RG | 10GENERAL | 52000.00 | 8.00 | 8 | Required member contributions* | | | 20XX-01-01 | 20XX-08-31 |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|

Secondary payroll

| | | | | | | | | | | | |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | AD | 10GENERAL | 13958.00 | 2.50 | 8 | Required member contributions* | | | 20XX-01-01 | 20XX-08-31 |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|

Segment #2 (Sep–Dec): Primary payroll

| | | | | | | | | | | | |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | RG | 10GENERAL | 26000.00 | 4.00 | 4 | Required member contributions* | | | 20XX-09-01 | 20XX-12-31 |
|----------|------|----|-----------|----------|------|---|--------------------------------|--|--|------------|------------|

Secondary payroll

| | | | | | | | | | | | |
|----------|------|----|-----------|---------|------|---|--------------------------------|--|--|------------|------------|
| 00000000 | Name | AD | 10GENERAL | 8375.00 | 1.50 | 2 | Required member contributions* | | | 20XX-09-01 | 20XX-12-31 |
|----------|------|----|-----------|---------|------|---|--------------------------------|--|--|------------|------------|

* The member’s total eligible salary under all employments is taken into account when determining when the YMPE will be reached and contributions are deducted accordingly.

To avoid a possible arrears situation, we suggest you cap only in situations where the member holds a regular full-time position and the additional service earned in a part-time or session position is paid at a lower annualized salary.

12 months pensionable service exceeded under different employers

As of January 1, 2014, should a member work concurrently with different employers and contribute to the pension plan on more than one employment, both employee and employer contributions that result in an over-accrual of service will be refunded as ineligible. The related salary, service and contributions will be removed from the account with the lowest annualized salary.

7.3.3.3 *Retroactive salary*

A member may receive salary retroactively (e.g., contract settlement) for a period that you have already reported. In this event, report salary and contributions only. The corresponding pensionable service will already have been reported with the original salary and service data.

The retroactive salary that applies to the period the employee was a plan member is pensionable and you must report it.

Contribution rates on retroactive salary are calculated using the date the salary is paid and not the date the salary was earned.

If you pay a plan member in the current year for time earned in a prior calendar year that has not yet been reported, contributions must not be deducted and remitted through the normal process. The service, salary and contributions for the prior year must not be included on your payroll report. Any adjustment to what was reported for a prior calendar year must be done through the arrears (see section 2) or ineligible process (see 7.3.4.2).

Reporting retroactive salary

It is important that we are able to differentiate regular salary from salary that is retroactive to prior years, because it can affect a member's future retirement benefit. See section 7.4.2 Service Event for further information on Service Event types.

Method 1)

Report retroactive salary using a service event type RT on a separate line on your payroll report and do not include the retroactive salary amount in regular salary. If you report using this method, the pay will automatically be apportioned to the correct period for highest average salary purposes.

The member worked full time and was paid \$45,000.00 in 20xx, but \$5,000.00 of the pay was retroactive salary for 20yy.

| | | | | | | | | | | |
|-----------|-------|----|-----------|----------|------|---|---------|--|------------|------------|
| 111111111 | Name1 | RG | 10GENERAL | 40000.00 | 8.00 | 8 | 2796.00 | | 20xx-01-01 | 20xx-08-01 |
| 111111111 | Name1 | RT | 10GENERAL | 5000.00 | | | 349.50 | | 20yy-01-01 | 20yy-12-31 |

If you are unable to report using method 1, you can report using methods 2 or 3. If you use methods 2 or 3, you will be reporting the retroactive salary information on a second Service Event Record.

Method 2)

If your payroll system is unable to split out the retroactive pay from the current salary when the payroll report is created, include the retroactive pay in your regular payroll report and submit a second Service Event Record, separate from your regular payroll report. On this report, you must use a service event type AD to remove the retroactive salary from the regular earnings and a service event type RT to apply it to the correct period.

EXAMPLE (EXCEL FORMAT)

The member worked full time and was paid \$45,000.00 in 20xx, but \$5,000.00 of the pay was retroactive salary for 20yy.

Payroll report (retroactive salary is included)

| | | | | | | | | | | |
|-----------|-------|----|--------|----------|------|---|---------|--|------------|------------|
| 111111111 | Name1 | RG | 10GENE | 45000.00 | 8.00 | 8 | 3145.50 | | 20xx-01-01 | 20xx-08-31 |
|-----------|-------|----|--------|----------|------|---|---------|--|------------|------------|

Second Service Event Record (adjusts the payroll report amount and shows the retroactive salary as RT)

| | | | | | | | | | | |
|-----------|-------|----|--------|----------|--|--|---------|--|------------|------------|
| 111111111 | Name1 | AD | 10GENE | -5000.00 | | | -349.50 | | 20xx-01-01 | 20xx-12-31 |
| 111111111 | Name1 | RT | 10GENE | 5000.00 | | | 349.50 | | 20yy-01-01 | 20yy-12-31 |

Method 3)

Report retroactive salary on a second Service Event Record, using a service event type RT and do not include the retroactive salary amount in the regular pay on your regular payroll report.

EXAMPLE (EXCEL FORMAT)

The member worked full time and was paid \$45,000.00 in 20xx, but \$5,000.00 of the pay was retroactive salary for 20yy.

Payroll report

| | | | | | | | | | | |
|-----------|-------|----|--------|----------|------|---|---------|--|------------|------------|
| 111111111 | Name1 | RG | 10GENE | 40000.00 | 8.00 | 8 | 2796.00 | | 20xx-01-01 | 20xx-08-31 |
|-----------|-------|----|--------|----------|------|---|---------|--|------------|------------|

Second Service Event Record

| | | | | | | | | | | |
|-----------|-------|----|--------|---------|--|--|--------|--|------------|------------|
| 111111111 | Name1 | RT | 10GENE | 5000.00 | | | 349.50 | | 20yy-01-01 | 20yy-12-31 |
|-----------|-------|----|--------|---------|--|--|--------|--|------------|------------|

Terminated and retired

If a member has terminated employment or retired, and subsequently receives retroactive pay for a period of time when they were still an active plan member, contact Member Services at the College Pension Plan. We will advise you whether or not contributions should be deducted and remitted.

7.3.3.4 *Pregnancy/maternity or parental/adoption leave top-up*

Employment Insurance (EI) pays a portion of pre-leave salary to a prescribed maximum. If you “top up” pregnancy/maternity or parental/adoption leave to a maximum percentage of salary, the top-up is pensionable salary. The pensionable service on the top-up is calculated as a percentage of the full-time equivalent of pre-leave salary.

EXAMPLE

Pre-pregnancy/maternity leave full-time salary = \$5,000 per month
(1 month of pensionable service credited)

Top-up = \$1,500 per month (\$18,000 for the year)

Pensionable service:

$\$1,500 \div \$5,000 = 0.3$ months (3.6 months for the year)

If you pay the top-up as a lump sum at the end of the leave, this is considered payroll arrears. See section 2 and section 8 for information on reporting and paying for arrears.

Note: Members may be able to purchase leaves. See section 2.

7.3.3.5 *Overload Pay*

Overload refers to a situation where a member voluntarily agrees to a workload that exceeds 100 per cent for a set period. Depending on the collective agreement, compensation for overload can be extra pay at straight time or at a premium rate of pay, and in some cases it is allocated to a future period of reduced workload, similar to banked overtime.

Overload pay for a period of reduced workload in the current year or a future year and paid at straight time is considered pensionable salary. Overload pay when paid in addition to an employee’s regular, annual full-time pay is not considered pensionable salary.

EXAMPLE 1

The member works for employer A. The collective agreement states that at the time an employee accepts an overload assignment, they must choose either to receive extra pay at straight time, or to have a reduced workload in a future semester.

| YEAR | MONTHS OF SERVICE EARNED IN SEGMENT 1 (JAN. TO AUG.) | MONTHS OF SERVICE EARNED IN SEGMENT 2 (SEP. TO DEC.) | TOTAL SERVICE IN THE YEAR | OVERLOAD SERVICE BANKED |
|--|--|--|---------------------------|-------------------------|
| 1 | 8 | 4 | 12 | 0 |
| The member works their regular assignment at full time. The member accrues 12 months of pensionable service in the year. | | | | |
| 2 | 7 | 5 | 12 | 0 |
| The member teaches one less class in Segment 1, resulting in reduced service for the segment. The member teaches an extra class as an overload assignment in Segment 2. The overload service is pensionable because it is paid at straight time and the member would otherwise have less than 12 months of service in the year. The member accrues 12 months of pensionable service in the year. | | | | |
| 3 | 7 | 6 | 12 | 0 |
| The member works their regular full-time assignment, but a one-month labour disruption in Segment 1 results in reduced service. The member works an overload assignment in Segment 2, and is paid at straight time. The overload is pensionable until the member reaches their full-time equivalent for the year. The employer deducts contributions and reports six months of pensionable service and salary for Segment 2. Because the member has more than 12 months of service for the year, both the member and the employer will receive a refund of contributions for the extra month. The member accrues 12 months of pensionable service in the year. | | | | |
| 4 | 9 | 4 | 12 | 1 |
| The member teaches an extra class in Segment 1 and banks the overload time for a future period of reduced workload. The member works their regular assignment in Segment 2. The member accrues 12 months of pensionable service in the year. | | | | |
| 5 | 7 | 4 | 12 | 0 |
| The member has a reduced workload in Segment 1. One month of banked overload from the previous year is taken as regular pay with contributions deducted in Segment 1. The member works their regular assignment in Segment 2. The member accrues 12 months of pensionable service in the year. | | | | |

EXAMPLE 2

The member works for employer B. The collective agreement states that when an employee accepts an overload assignment, they may choose either to receive extra pay at time and one-half, or to bank the time and take a reduced workload in a future semester.

| YEAR | MONTHS OF SERVICE EARNED IN SEGMENT 1 (JAN. TO AUG.) | MONTHS OF SERVICE EARNED IN SEGMENT 2 (SEP. TO DEC.) | TOTAL SERVICE IN THE YEAR | OVERLOAD SERVICE BANKED |
|--|--|--|---------------------------|-------------------------|
| 1 | 8 | 3 | 11 | 0 |
| The member accepts an overload assignment in Segment 1, and takes extra pay at time and one-half. Because the member is paid at a premium rate of pay, the overload is not pensionable. The member teaches a reduced workload in Segment 2, resulting in lower service for the segment. The member accrues 11 months of pensionable service in the year. | | | | |
| 2 | 8 | 4 | 12 | 1 |
| The member teaches their regular full-time workload in Segment 1, and accepts an overload assignment in Segment 2. The member banks the overload and takes a reduced workload in the next year. The member accrues 12 months of pensionable service in the year. | | | | |
| 3 | 7 | 4 | 12 | 0 |
| The member has a reduced workload in Segment 1. The banked overload from the previous year is paid to the member at straight time, equal to the amount of the reduced workload. The overload is pensionable at the time it is paid, in Segment 1. The member works their regular full-time assignment in Segment 2. The member accrues 12 months of pensionable service in the year. | | | | |

7.3.3.6 Severance pay

When a member receives severance pay, it is generally not pensionable; however, it may be considered pensionable if certain criteria are met.

- Under the *Income Tax Act*, the member must still be an employee for severance pay to be pensionable.
- To be considered an employee, the member must have employment insurance premiums and Canada Pension Plan contributions taken from their severance pay.
- If the member does not meet the definition of employee as described above, contributions to the pension plan alone are not allowed.

If you require further information on the above, please contact CRA.

Pensionable and contributory service must be reported along with the salary and contributions on your payroll report. Prior year adjustments cannot be reported through the payroll reporting process; they must be dealt with as an arrears purchase.

You must submit Employee Information at Termination/ Retirement online at the end of the severance period, not at the beginning. If you have already submitted the data, you will need to provide us with an *Amended Employee at Termination or Retirement* form showing the new termination date.

7.3.3.7 *Vacation pay*

In general, vacation paid for time off is pensionable and pay in lieu of vacation time is not. There must be pensionable service associated with vacation pay for it to be pensionable.

7.3.3.8 *Deferred Salary*

If you offer a deferred salary program and employee is participating, report all contributions on full salary for current year.

7.3.4 **Contributions**

For the current employer and member contribution rates, click on *E-Remittance* in the Employer Portal, select the plan, then click on *View Contribution Rates*.

Both employer and member contribution rates are subject to change, based on an independent actuarial valuation that is performed at least every three years. The last valuation is available within the Annual Report on the plan website. Click *About us > Reports*.

For more information, see the plan rules, which are available at college.pensionsbc.ca.

EXAMPLE

Member contributions on a pensionable salary of \$60,000 for the year 20xx are calculated as:

Contributions on salary of \$60,000

$$\$60,000 \times 10.05\% = \$6,030$$

Total member-paid contributions = \$6,030

Employer contributions on a pensionable salary of \$60,000 for the year 20xx are calculated as:

Contributions on salary of \$60,000

$$\$60,000 \times 10.15\% = \$6,090$$

Total employer-paid contributions = \$6,090

7.3.4.1 Ineligible contributions

Ineligible contributions can occur if contributions are taken on salary that is not pensionable. If ineligible contributions are discovered before you submit your *Payroll Report*, you can refund these contributions to the plan member and adjust your next remittance for the employer portion. If ineligible contributions are discovered after you have submitted your *Payroll Report*, you must contact us as we will refund those contributions plus interest to you and the plan member.

7.3.4.2 ITA limits on T4s

The College Pension Plan is registered under the *Income Tax Act*, and contributions to the plan are tax-deductible within certain maximums for reporting on members' T4 statements.

The Income Tax Regulation 8503(4) sets maximums on the amount of tax-deductible registered pension plan contributions (these limits affect high-wage earners). We will post a bulletin to the web each year to advise you of the maximum contribution amounts to be shown on the T4. This applies to tax deductibility of the contributions only; you must still make contributions on all earnings.

7.4 Preparing your payroll report(s)

At the end of each segment submit your Payroll Report(s) (Service Event Record) containing member service, salary and contributions data for payrolls paid in that segment.

If an employee contributing under a primary position is also performing other work in another position with you, their payroll records must be tracked and reported separately. Service and salary earned under their primary position must be reported under the primary payroll report file type and service and salary earned under their other positions with you must be reported under the secondary payroll report file types.

If you have opted to cap salary earned (from employments with the lowest annualized salary), you must report data on separate reports when a portion of the lower salary was eligible.

Depending on an employer's pay schedule, it is possible for a pay period to start and end in December with the regular "pay" date for the period falling in January of the next year. In this situation it is normal for the service, salary and contributions earned for the pay period to be remitted and reported in the next year. For example, service, salary, and contributions earned from December 15, 20yy to December 29, 20yy but paid on January 3, 20xx would be included in your August 20xx payroll report.

Detailed information on reporting formats is available on our Employer Reporting home page.

Prior year adjustments are not permitted

If you pay a plan member in the current year for time earned in a prior calendar year that has not yet been reported, contributions must not be deducted and remitted through the normal process. The service, salary and contributions for the prior year must not be included on your payroll report. Any adjustment to what was reported for a prior calendar year must be done through the arrears (see section 2) or ineligible process (see 7.3.4.2).

7.4.1 Employee group (for reporting purposes)

10GENERAL—used for all College Pension Plan members

The employee group must be included on all reports to the corporation. Please contact Employer Operations if you have any questions.

7.4.2 Service event

Any service, salary and contributions you report are called “service events.” You must use service event types as shown below.

| SERVICE EVENT TYPE VALUES | DESCRIPTION (LINK TO SECTIONS) | SERVICE EVENT MUST ONLY INCLUDE |
|---------------------------|--|--|
| RG | Regular pensionable earnings under primary position. Report on primary payroll report. | <ul style="list-style-type: none">• Pensionable service• Contributory service• Pensionable salary• Employee contributions |
| AD | Pensionable earnings from additional positions with same employer. Report only on secondary payroll reports. | <ul style="list-style-type: none">• Pensionable service• Contributory service• Pensionable salary• Employee contributions |
| RT | Retroactive earnings | <ul style="list-style-type: none">• Pensionable salary• Employee contributions |
| RH | Rehabilitation earnings | <ul style="list-style-type: none">• Pensionable service• Contributory service• Pensionable salary• Employee contributions |

7.4.3 Service Event Record

To create a Service Event Record follow the formatting requirements outlined on the Reporting Instructions page under Employer Reporting in the Employer Portal. Then submit this file through Data Submission. You will find instructions for submitting both standard format files and Excel files on the Employer Reporting page.

The dates must reflect the actual time that the member is working or deemed to be at work.

The effective **start date** for each member on your payroll report is:

- your payroll start date for the segment,

- January 1 or September 1 (if you report based on the calendar year), or
- the date the member started contributing (if in current segment).

The effective **end date** for each member on your payroll report is:

- your payroll end date for the segment,
- August 31 or December 31 (if you report based on the calendar year), or
- the last day the member contributed in the segment.

Payroll records must be tracked separately for employees with concurrent employments. As of January 1, 2014, you are required to either:

- cap the annualized lowest-paid salary, service and contributions if pensionable service would otherwise exceed 12 months in a calendar year, or,
- report the concurrent employment details for each employment under a separate Service Event Record.

7.4.4 Avoiding common errors

Refer to the reporting instructions for preparing and submitting your reports on the secure employer site.

Payroll Report

- Only include members for whom you have paid pensionable salary or service during a segment or those on an approved LTD claim. If there aren't any service events for an employee, remove them from the report. Do not report service with only a zero.
- Ensure you have submitted new members whose contribution start date is in the current year
- Only report current adjustments
- Ensure your payroll start dates for the current year do not overlap with your previous report
- Report each service event type [regular (RG), rehabilitation (RH), retroactive (RT)] as a separate entry
 - When an employee starts or ends long-term disability, the RH and RG must be reported based on the long-term disability dates

- Report pensionable and contributory service and salary for employees with over 35 years of pensionable service
- For employees who are no longer working, report the service event end date as the last day they contributed

LTD Start/Stop

Report the correct end date for your member's RG service event. If an incorrect date is reported, future LTD start dates that overlap a posted RG will cause an error and the LTD start date will not be accepted.

7.4.5 Finalizing your payroll report

After the payroll report is posted to your members' accounts, we make sure the total amounts posted are equal to the total amounts you have remitted throughout the year (see section 8).

In most cases, if a difference is identified, we will contact you. You will need to review your submitted report and notify us about any corrections or additions. If the difference cannot be explained, the segment will be completed and our finance department will be in contact with you to arrange payment adjustments.

7.5 Non-payroll reports

7.5.1 Reporting Plan Member Record information

7.5.1.1 Plan Member Record (PMR) Electronic Form

Access the PMR Electronic Form tool

1. Sign in to the secure employer website and access the Employer Portal.
2. Under Employer Reporting, click Plan Member Record Electronic Form.

Create a new PMR

The PMR Electronic Form tool is used to create an employee record in our system. Given there are no errors in the PMR submission, the PMR for the employee will upload to their account instantly. The PMR can be dated up to four months into the future as it will be stored electronically until the indicated contribution start date. Please note—for future dated PMRs, these PMRs are not accessible in this state until the Contribution start date has passed. Please refrain from submitting any updates until this time, or contact Employer Operations if you have any questions.

New PMRs must be completed and submitted within 30 days of the employee's contribution start date for a new employee group, and if a plan member changes employee groups or moves from one plan employer to another.

1. Access the PMR Electronic Form tool.
2. Select Create New Plan Member Record.
3. Complete the required fields marked with an * asterisk:
 - SIN
 - last and given names
 - gender
 - birth, hire, and contribution start dates
 - employee group
 - union affiliation
 - address, city, province, postal code
 - email address
4. Complete the applicable optional fields.
5. Click Submit.

Update a PMR

Use the Update Existing PMR tool when a plan member's information changes, including when a member with an immigration SIN (begins with 9) obtains a Canadian SIN. Updates to existing PMRs must be completed and submitted within 30 days of the change.

1. Access the PMR Electronic Form tool.
2. Select Update Existing Plan Member Record.
3. Complete the required fields marked with an * asterisk:
 - SIN (if updating from an immigration SIN, enter the Canadian SIN)
 - last name
4. Complete changes to other applicable fields. If updating from an immigration SIN, enter it in the previous SIN field.
5. Click Submit.

Note: When updating a member's Union Affiliation, Primary or Secondary Location information, you must also provide the Employee Group.

View PMR Submission History

Use the Submission History tool to view and print the history of the PMRs your organization has submitted.

This tool is located under the Employer Reporting > Data Submission > Submission History section.

PMRs submitted with pending errors will appear under the main File Type: Plan Member Record area on the Data Submission History page. PMRs with pending errors will display with a *Processing* status. Employer Operations will contact the organization if there is any further information required for PMRs in *Processing* status. All PMRs submitted by the organization can be viewed by clicking on the *Rolled Up PMR History* link located underneath the Plan Member Record file. The fully posted PMRs will appear under this report with a *Posted* status.

7.5.1.2 Creating a report to enrol multiple employees

You have the option of enrolling employees using a report instead of completing the Plan Member Record Electronic Form for each individual. To do this, you will also need to access our detailed instructions on preparing and submitting reports, available in the Employer Portal. Click *Employer Reporting > Reporting Instructions*.

To create a report that would include all of the required Plan Member Record information, the following records need to be completed and submitted to us through the Data Submission tool:

- Person Record
- Address Record
- Employment Record
- Spouse Record (available if reporting using 'Standard Format' only)

If using Excel format:

- You will not be able report the spousal information; this information can be provided to us directly by the plan member once you have enrolled them.
- All records—Person, Employment and Address (optional) must be sent to us on the same day.

7.5.2 Address information

Report new address information for employees who are plan members on an ongoing basis via the Plan Member Record Electronic Form. Please refer to the Canadian Addressing Guide (available on the Canada Post website) for formatting instructions.

We require up-to-date address information to ensure that plan members receive our correspondence e.g. pension estimate, pension adjustment statement, Member's Benefit Statement.

7.5.3 Plan member union affiliation

Employers must report up-to-date union affiliation information for all their plan member employees. You can report annually or submit changes any time using the individual Plan Member Record (PMR) update tool or by

submitting an employment record report. Please include this information on the Plan Member Record when you enroll new employees. If reporting annually, see section [7.6 Submitting your report\(s\)](#) for information on the data submission format.

Before you begin:

1. Refer to your collective agreements to identify the correct unions. Collective agreements usually list the employer(s) and union on the title page (i.e. the agreement between the employer and the union).
2. Find the union in [Appendix A—Union affiliation reporting abbreviations](#) to obtain the correct union affiliation code.

If you are not able to identify the correct union, the department who negotiates your collective agreements may be able to help.

If the union you need is not listed in Appendix A, please contact the Employer Operations via message board for assistance.

Regardless of how you report union affiliation information, please remember:

1. It is mandatory to report this information.
2. If an employee has more than one position and union affiliation, report the affiliation information for the most worked position.
3. The first five characters (or information provided in column D if using the spreadsheet reporting method) represents union affiliation.
4. Union affiliation codes are case sensitive and can be no more than five characters.
5. If your employee does not belong to a union, report them as NONU (non-union).
6. Input the code exactly as it is shown in the table provided in [Appendix A—Union affiliation reporting abbreviations](#).
7. Do not make up your own codes.

7.6 Submitting your report(s)

It is your responsibility to ensure the security and confidentiality of information you submit to us.

7.6.1 Submitting through the web

You are required to submit your files through our Data Submission tool, which is designed to make employer reporting easy, secure, efficient and accurate. The Data Submission tool is in the Employer Portal. Click *Employer Reporting > Data Submission*.

If you have not already done so, you will need to set up a profile before you can submit a file to the corporation. Your profile specifies the file types and formats of the data that you submit for employer reporting. Once you access the Data Submission web service, you will be asked to set up a profile.

Data files are accepted in Excel or standard format, and instant feedback will be provided on any formatting issues. Once you have addressed any formatting issues, your data will load directly into our system on the evening of the day you submit it. You can also view the history of the files you've submitted and their current status up to 18 months after the submission.

1. Standard format file

Our standard format is fixed width. It requires a header record to provide details on the submission, and a trailer record to provide the totals of the records on the file. You can access further details on preparing and submitting reports in the Employer Portal. Click *Employer Reporting > Reporting Instructions*.

To find out more about submitting to us in this format, please have your systems expert contact us at employer.services@pensionsbc.ca.

2. Excel format file

If you do not report using our standard format, you must use an Excel formatted spreadsheet. Excel formatted files must provide the correct data elements in a prescribed column order. Detailed information about how to set up and submit your Excel formatted files is available in the Employer Portal. Click *Employer Reporting > Reporting Instructions*.

If you have questions, please contact employer.services@pensionsbc.ca.

7.6.2 Submitting without web access

If you don't have access to our website or have questions about other ways to submit files, please contact us immediately by phone toll-free (Canada/U.S.) at 1-855-356-9701 or by email at employer.services@pensionsbc.ca.

7.7 Payroll Report verification

Once your payroll report has been submitted, it will move through a series of further checks to ensure it meets our requirements. If there are errors, we will contact you for clarification or ask you to submit a corrected report.

The checks occur in two stages: the report is scanned, then individual records are reviewed.

Report

Scanning for the following:

- report is a duplicate
- a report is missing (e.g., last year's report)
- mandatory fields are missing (including fields for individual records)
- the column totals do not balance

Individual record

Reviewing for the following:

- person does not exist in the database (a Plan Member Record was not submitted)
- no record of an active employment with your organization (a Plan Member Record was not submitted)
- pensionable service exceeds contributory service
- reported contributions do not correspond with reported salary (see *Variance Summary Report*)

7.8 Data validation reports sent to you

7.8.1 Variance Summary Report

The *Variance Summary Report* lists plan members whose reported salaries do not match reported contributions. A variance can occur for any of the following reasons:

- insufficient contributions deducted on pensionable salary
- excess contributions deducted on pensionable salary
- payroll report was not reconciled to actual contributions deducted and remitted, and salary and contributions were reported incorrectly (see section 8)

If you receive a *Variance Summary Report*, correct each individual account, following the instructions and return it to Employer Operations.

We will make corrections to individual accounts based on the information you provide on the *Variance Summary Report*.

You must not reflect any of these adjustments on the next payroll report. If a variance correction results in you having to collect additional contributions or return excess contributions to an employee, the correction must not be reported to us again. It **must not be included** in future regular remittances or payroll reports. The next payroll report must only include pensionable salary paid to the employee in that segment and indicate contributions that were made or deemed to be made on that salary.

7.8.2 One year, no contributions

Each year, we may send you a report called *Active Members With No Service Events in Over One Year*. This report lists employees for whom you have not reported any data for the preceding calendar year.

Plan members' names may appear on the report for the following reasons:

- member has terminated employment and Employee Information at Termination/Retirement has not been submitted online
- member is on an extended leave of absence
- member is casual and has not worked for one year
- member is on LTD

- member is on a seniority or recall list and has not made a contribution for one year

The report will be accompanied by an email notification outlining what action you will need to take for plan members listed on the report. See section 3 for more information on termination.

IMPORTANT: The termination date for pension plan purposes will be when the member stops contributing to the plan (last day worked) or at the end of the approved leave, whichever is later.

7.9 Key employer reporting dates

The continued success of payroll reporting relies on timely submission of accurate information. You are responsible for reconciling the total monies remitted to the detailed payroll reports filed. This ensures the accuracy of member records for PAs and member's benefit statements. Any delays in submitting information may delay production of your PAs.

| REPORTS/FILES REQUIRED | FINAL DATE FOR SUBMISSION |
|---|---|
| Any changes to your income tax numbers, sort option for Pension Adjustment/Member's Benefit Statements or listed contacts | Mid-November |
| Member address changes | December 1 |
| Location/sub-location sort file (if you are provided with one) | December 1 |
| Payment for direct mailing of PA statements to members (if applicable) | Last week in December |
| Plan Member Record data (should be reported upon enrolment) | Last week in August/December* |
| LTD confirmation reports | January 10 September 10 |
| Payroll report(s) | Segment 1 The earlier of September 10, or 10 business days after the last pay period in August Segment 2 The earlier of January 10, or 10 business days after the last pay period of the calendar year |

* You must complete and submit Plan Member Record information electronically within 30 days of enrolment.

Appendix A—Union affiliation reporting abbreviations

A code has been assigned to each union, or organized employee association/society. In most cases this is the same as the union's acronym, but where this exceeds 5 characters, the acronym has been shortened.

Plan members not represented by a union (includes employees that are exempt, excluded or management) have a unique code that must be reported—NONU.

See [Section 7.5.3 Plan member union affiliation](#) for more information.

| UNION NAME (LEGAL) | UNION CODE |
|--|------------|
| B.C. General Employees' Union | BCGEU |
| Canadian Union of Public Employees | CUPE |
| Federation of Post-Secondary Educators of BC | FPSE |
| BC Institute of Technology Faculty and Staff Association | FSA |
| Plan members who are not represented by a union | NONU |
| Royal Road University Faculty Association | RRUFA |
| Simon Fraser University Faculty Association | SFUFA |
| Thompson Rivers University Open Learning Faculty Association | TROLF |

SECTION CONTENTS

8 REMITTING CONTRIBUTIONS

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8 REMITTING CONTRIBUTIONS

This section outlines the process for remitting and balancing employee and employer contributions.

8.1 Payment frequency

The critical date is payroll pay date—the actual date that your employee is paid for the defined pay period.

Remit contributions on a regular basis, depending on your payroll cycle and the total contributions for the last calendar year.

- If member and employer contributions exceed \$100,000 per year, your payment is due within 15 days of each pay date.
- If member and employer contributions are less than \$100,000 per year, your payment is due within 30 days of each pay date.

The payroll pay date on the electronic *College Pension Plan remittance* form will be used to determine your payment due date. Remit separately for each pay date.

If we don't receive your payment by the due date, late interest will be charged. Refer to Part 2.8 of the *College Pension Plan Rules*.

8.2 Methods of payment

Electronic remitting (E-Remittance) is our standard process for remitting contributions to the plan. This is done by pre-authorized debit, through the E-Remittance tool in the Employer Portal.

Your primary user will set up the securities access to allow the appropriate individuals access to view, create or approve e-remit transactions. The E-Remittance tool provides these authorized users complete control to set up a remittance in advance, and choose the withdrawal date. System edits help to ensure contributions are in accordance with the plan rules. To remit electronically, refer to the *E-Remittance how-to* document in the E-Remittance tool in the Employer Portal.

If you are unable to remit electronically you can remit by cheque in an emergency. Make your cheque payable to the College Pension Plan and send it with the remittance form to the College Pension Plan mailing address:

College Pension Plan
PO Box 9460
Victoria BC V8W 9V8

- If you have members in more than one pension plan administered by the corporation, use the plan-specific remittance form for each plan.
- To order remittance forms, email:
employer.services@pensionsbc.ca

8.3 Electronic contribution remittance form

Pensionable salary – line 1

Report the salary on which contributions were deducted.

Employee contributions – line 2

Report the employee contributions you deducted for this period. Employee contributions are calculated as a percentage of salary (see section 7.3.4 Contributions).

If employee contribution rates change, apply the new rate to the entire pay period, based on the pay date.

Employer contributions – line 3

Report the employer contributions for this period. If the employer contribution rates change, apply the new rate to the entire period, based on the pay date.

See the *College Pension Plan Rules* for more information.

Special agreement contributions – line 4

NOT USED

Payment of invoiced amounts – line 5

Make payments in a lump sum, within 30 days of the invoice date. We will apply interest to payments not received within 30 days.

Pay date drives the contribution rate, e.g., if your payroll period is August 19 to August 29, and your pay date is September 3, deduct contributions based on the contribution rate in effect on September 3.

Adjustments – line 6

Line 6 is used for adjustments or payments as instructed by the Plan.

Current year payroll adjustments should be reported on lines 1, 2 and 3 of your remittance.

You cannot make adjustments to a prior year's salary or contributions. If you find errors in prior years, request an arrears calculation or ineligible refund from the College Pension Plan.

8.4 Balancing remitted contributions to reported data

The critical date to the balancing process is the pay date.

At the end of the reporting period (your last pay dates in August and December), balance your remitted contributions and salary to the data you will file on your *Payroll Report* (Section 7.4). This balancing process ensures the pension fund has correct information on which to base benefits and PA statements.

Timely and accurate member data is critical to *Pension Adjustments*, plan *Member Benefit Statements*, and the final calculation of benefits upon death, retirement or termination.

To assist with this process, you can download *Balancing Help* from the E-Remittance tool in the Employer Portal. This PDF form, which includes total remittances to date, provides a guideline for balancing remitted funds to payroll data.

For a complete listing of remittances, download the report Request Remittance Detail. This is available in either PDF or in comma-delimited format, which can be loaded into most spreadsheet applications to assist with your balancing process.

On your *Payroll Report* include only those pay periods with a pay date within the reporting segments January 1–August 31 and September 1–December 31. Verify all member data and correct errors prior to submitting your *Payroll Report* and final remittance for each segment.

EXAMPLE

You have the following pay periods in December 20yy:

December 4 to December 15, 20yy, paid on December 22. Report this on your 20yy Payroll Report.

December 18 to December 29, 20yy, paid on January 5, 20xx. Report this on your 20xx Payroll Report.

If you have any questions regarding the remittance or balancing process, contact Employer Operations at employer.services@pensionsbc.ca.

8.4.1 Current year arrears

If you discover you have not taken deductions for an employee for a period of service, take the following steps:

1. Advise the employee of the arrears situation and begin deducting contributions at once.
2. Request a purchase of service (POS) calculation (see Section 2). You will be invoiced for employer costs.

In a situation where the arrears are for the current year only, and the employee agrees to let you recover contributions by the end of the current year, you do not need to request a POS calculation. You can arrange with your employee to deduct the arrears contributions through the normal payroll process. In this case, include salary and contributions on lines 1, 2 and 3 of your regular remittance. Include the service, pensionable salary and contributions with the regular (RG) service event on your *Payroll Report*.

8.4.2 Current year ineligible contributions

If you discover you have taken deductions in error during the current year, take the following steps:

1. Refund the applicable contributions to the member.
2. Include the reduction of salary, employee and employer contributions on your next remittance.

Ensure the *Payroll Report* does not include the ineligible service, salary and contributions that you have refunded and recovered from your remittance. Report all remaining regular service, pensionable salary and contributions as a regular (RG) service event on your next *Payroll Report*.

You cannot refund ineligible contributions for a prior year. Contact Member Services for a refund of employer and employee contributions. If the period overlaps both a current and prior year, you should deal with the current year portion as noted above.

Prior year arrears require a POS calculation.

SECTION CONTENTS

9 PAs, E-PAs, PSPAs, APAs AND PARs

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9 PAs, E-PAs, PSPAs, APAs AND PARs

9.1 Pension Adjustment (PA)

A pension adjustment (PA) represents the value of the benefits a member earned in the previous year from their pension plan for service accrued after 1989. The Pension Corporation calculates the PA amount for all pension plan members based on the Service Event data each employer reports for the calendar year. This PA amount must be reported to the Canada Revenue Agency (CRA) each year.

If you choose to have your PA statements produced by the corporation, a T4A slip is created for each member and distributed to you by February 28 each year. Even though we report this information to CRA, it is your responsibility to distribute these to members (including members who are on LTD, LOA, etc.). If, however, you report the PA amount on your members' T4 slips, we will arrange to provide you with an electronic file. Under this option, you are required to report the PA amounts to CRA directly. When a member has been approved for STD and/or LTD, service will accumulate in their account and they will receive an annual pension adjustment (PA) statement to file with their income tax return. The benefit entitlement (BE) for a member receiving LTD is calculated using the salary at the start of the LTD period and includes any cost of living adjustments.

PA Calculation

PAs are calculated as follows:

$$PA = (9 \times \text{Benefit Entitlement}) - \$600$$

The Benefit Entitlement (BE) for each calendar year is calculated using the plan's pension formula, and the member's total pensionable salary during that year.

- For service accrued post-2015, the BE = 2% × pensionable salary
- For service accrued pre-2016, the BE = (1.7% × YMPE) +

(2% × pensionable salary over YMPE)

- If a member does not have full service (12 months) in a year, the BE is calculated using an annualized salary.
- If a member has worked for more than one employer in the same plan, the BE is calculated using a separate annualized salary for each employment and then combined to determine the total PA.
- For a member receiving LTD, the BE is calculated using the salary at the LTD start date and includes any applicable cost of living indexing.

EXAMPLES

Full service reported in year (12 months)

Assume the following for a full-time plan member:

Year = 2016

Pensionable service = 12.00

Pensionable salary = \$55,000

BE = 2% × \$55,000 = \$1,100

PA = (9 × BE) – \$600 = (9 × \$1,100) – \$600 = \$9,300

PA reported = \$9,300

Partial service reported in year (<12 months)

Assume the following:

Year = 2016

Pensionable service = 8.5 months

Pensionable salary (actual earnings) = \$45,000

Earnings received by members who worked part of a year are annualized to calculate an annualized benefit used in a prorated BE formula:

Annualized earnings = (\$45,000 ÷ 8.5) × 12 = \$63,529.41

Annualized benefit = 2% × \$63,529.41 = \$1,270.59

BE = (\$1,270.59 × 8.5) ÷ 12 = \$900

PA = (9 × BE) – \$600 = (9 × \$900) – \$600 = \$7,500

PA reported = \$7,500

PA's are rounded to the nearest dollar.

RRSP room calculation

CRA uses the PA to calculate a member's RRSP contribution room, to a maximum dollar limit, using the formula below.

EXAMPLE

$$\text{RRSP room} = (18\% \times \text{previous year's earnings}) - (\text{previous year's PA})$$

Continuing with the full service example from above: for any given tax year, the member will receive their PA by February 28th of the **following year**. CRA will use the PA to calculate RRSP room for that following year. Assuming the member had no income other than the \$50,000 pensionable salary, their RRSP room will be calculated as follows:

$$\text{RRSP room} = (18\% \times \$50,000) - (\$5,357) = \$3,643$$

Members enter their PA amount on line 206 of their tax return. CRA calculates each member's RRSP deduction limit for the coming tax year, and sends the member a *Notice of Assessment*, which includes the amount of their RRSP contribution room for the year.

9.1.1 Distribution of PA statements (T4A slips – paper PA statements)

There are two different options to distribute your members' PA statements:

1. An electronic PA file is sent to you to populate your members' T4 slips. See section 9.1.1.1 Electronic PA (E-PA) files for T4 slips for details.
2. Paper PA Statements (T4A slips) are produced by the corporation and sent to you for distribution to plan members. We will produce and deliver your paper PA statements (T4A) to you for distribution as soon as we are able.

Employer Report

Along with your PA Statements, we provide you with a report listing of your members who are receiving a PA statement. The report contains the member's SIN, name, PA amount, PA type, calculation date and 'notes' if applicable. It lists your members based on the sort option you selected.

PA type

There are different PA types: original, replacement and amended. The first PA calculated in the tax year for a plan member is the original. If an original PA amount changes before it is reported to Canada Revenue Agency (CRA), then the type becomes replacement. If the PA amount changes after it has been reported to CRA, it becomes an amended PA (APA).

Sort options

There are three different ways to have the PA statements (and Employer Report) sorted.

Name Sort

We put the member's name and address (if on record) on the PA statements and sort them alphabetically by last name.

Location and Name Sort

You choose any description, alpha and/or numeric, up to 29 digits for your location code. The member's name and address are printed on the PA statements and they are sorted alphabetically by last name, within each location code.

If you receive paper PA statements, there will be a separator page dividing each location. Employer Reports will be separated the same way as the PA statements.

Location, Sub-location and Name Sort

You choose any description, alpha and/or numeric, up to 29 digits for your location code and an additional 30 digits, alpha and/or numeric, for your sub-location code. The member's name and address are printed on the PA statements and they are sorted alphabetically by last name within each location and/or sub-location code.

If you receive paper PA statements, there will be a separator page dividing each location only. Within each location, sub-locations are sorted in ascending order. Employer Reports will be separated the same way as the PA statements.

Members on approved Long-term Disability (LTD)

- If you receive paper PA statements for your members, the information for your LTD members will be listed at the end of the Employer Report, regardless of the sort order you have chosen.
- If we have the member's address, we will mail the paper PA statements (T4A slips) to them directly.
- If you receive an electronic PA file for your members but receive paper PA statements for your LTD members, we will mail the paper PA statements (T4A slips) directly to these members.
- In a year where rehabilitative (RH) service, regular (RG) service, or pensionable salary is reported, and the member was on LTD for the year or part of the year, we will send the paper PA to you for distribution.

Members who terminated employment

The corporation will produce and mail paper PA Statements (T4A slips) directly to members with terminated employments in the calendar year. These members will be listed at the end of your Employer Report.

PA statements not provided

If you have not received a member's PA statement, there could be several reasons. To learn why, look for these 'notes' on the Employer Report:

- **“More data expected; PA supplied later”**

This means data is still being validated and/or a member worked for more than one employer during a calendar year and the data from all the employers needs to be posted to the member's account.

 - PA amounts are combined for members with more than one plan employment. The PA statement will only be provided to the employer with the lowest ORG ID.
- **“Plan member deceased in tax year”**

PA statements are not issued for the year a plan member dies.

9.1.1.1 Electronic PA (E-PA) files for T4 slips

You may choose to have your members' PA information sent to you electronically so that you can populate the PA box on your members' T4 slips.

Considerations for E-PA reporting/files

- Available formats are: fixed width (.dat), tab delimited (.txt), comma delimited (.csv), or extensible markup language (.xml).
 - Fixed width (.dat) is a file that separates the data by defining the length of each field. Alpha character fields are padded with blanks and numeric fields are padded with zeroes.
 - Text pad (.txt) is a tab delimited format where the data is separated with a tab. No extra spaces—ensure your text editor does not automatically convert tabs to spaces.
 - Comma delimited (.csv) is a file that separates the data with commas. No extra spaces.
 - Extensible markup language (.xml) is a flexible way to create common information formats, and share both the information and the format on the web.
- Consult with your IT department and/or payroll provider to ensure you can accept/convert the E-PA files(s) and populate your members' T4 slips.
- Determine if your T4 program will produce a T4 slip for a member who paid no income tax and/or contributions in the tax year (e.g., LTD members). If not, we will produce paper T4s for these members.
- Your electronic PA file will be provided to you in time for you to include on your employee's T4 slip. We will confirm the date we will provide you with your electronic PA on the *Contact Confirmation For Employers* form you are asked to review each fall.
- Once the E-PA file is created and made available to you it cannot be changed and/or re-formatted. You must ensure you have the correct format selected on the *Contact Confirmation For Employers* form.
- Any original PAs calculated after the E-PA file has been sent to an employer and before the final PA run (done the third weekend each February) will be produced as a paper

Contact Employer Operations to set up your user ID and password, which are necessary to access your file.

PA statement (T4A slip) and it will be mailed directly to the member. We report these PA amounts to CRA directly.

- Any adjustments to PAs that were originally submitted to you electronically will be sent to you electronically. We will also provide you with an Employer Report and Authorization form. Please note these would be amendments to information you reported on the member's T4 so it must be reported to CRA by you following their prescribed format requirements. This is done each June and December. Refer to section 9.2 for more details.
- Once an E-PA file has been produced, it cannot be recreated to produce paper T4As for members on LTD. If you select E-PAs for LTD members, you must ensure your T4 program can also produce T4A statements for them. Otherwise, you should select 'the corporation provides paper T4As for these members' option.

PA file pick-up process for Electronic PAs

We will advise your PA contact by email when your E-PA file is ready for pick-up. E-PA files are retrieved from the corporation's website through the File Pick-up portlet (on the Employer Reporting home page). See section 7.2 Web services for more information about File Pick-up.

Reporting the E-PAs to CRA and members

You must provide the electronic PAs to members for whom they were generated, and report the amounts to CRA via your T4 file.

9.2 Amended Pension Adjustment (APA)

An amended pension adjustment (APA) is a PA we have to recalculate because we have received new information about a member's pensionable service or salary. Purchasing a leave of absence or an arrears period can also generate an APA.

We will report the APAs directly to CRA in June and December for members where a paper PA statement (T4A slip) was originally produced for the member by us.

For employers who chose E-PAs, the amended PA employer report will be available for you to download on the corporation's website. Your PA contact will be notified by

email when it is available for downloading through the File Pick-up portlet (on the Employer Reporting home page). See section 7.2 Web services, for more information about File Pick-up.

- This is an amendment of information you reported on the member's T4 so it must be reported to CRA by you following their prescribed format requirements.
- You must also notify plan members of the amended PA amount(s). You can choose how to inform your members of the amended PA.
- It is the employer's responsibility to inform CRA of the amended PA amount(s) if your members reported the original PA amount to CRA. Members do not have to inform CRA of the amended PA.

9.3 Past Service Pension Adjustment (PSPA)

A past service pension adjustment (PSPA) may be issued if a member purchases any post-1989 service. A PSPA corrects the difference between the sum of PAs reported to CRA for that period, and the sum of PAs that include the increased benefits from the purchased service.

CRA approval is required if the member wishes to purchase any post-1989 service with cash, in the form of a cheque, or money order.

A PSPA for the purchase of any post-1989 service must be certified (approved) by CRA.

If the PSPA for a given purchase exceeds the member's unused RRSP contribution room by more than \$8,000, CRA will send the member a letter stating the PSPA cannot be certified.

Members can reduce or eliminate PSPAs by:

- paying for a purchase by transferring funds from an RRSP, or
- de-registering (withdrawing) funds from an RRSP.

If a member has a PSPA that CRA won't certify, and the member cannot or does not take steps to reduce or eliminate the PSPA, the member will not be allowed to make the purchase.

9.4 Tax implications of purchasing service

Leave of absence

When a member purchases a leave of absence, a PSPA or an APA may be created.

If the member purchases the leave by April 30 of the year following the year in which the leave ended, an APA will be calculated and reported to CRA.

If the member purchases the leave after that date, a PSPA is calculated and reported to CRA if it is greater than \$50.

EXAMPLE

For a leave from October 1, 2008 to October 31, 2009, an APA is calculated if the member purchases the leave period before April 30, 2010. If the member purchases the leave after that date, a PSPA is calculated.

Arrears

Arrears for service after 1989 will generate an APA or a PSPA. If the member's participation in the plan was mandatory during the arrears period, an APA is generated. If the member's participation in the plan was optional during the arrears period, a PSPA is generated and reported to CRA if it is greater than \$50.

Even if a member chooses not to pay their portion of an arrears cost, the employer must always pay their portion, so an APA or a PSPA is always produced.

9.4.1 Receipts for tax deduction of contributions

It is important that members understand that purchases made from a severance or retiring allowance may affect RRSP room.

Contributions made to pay for purchases are tax-deductible in the same way that regular pension plan contributions are. If a member pays cash (in the form of a cheque or money order) or instructs their employer to forward severance pay or retiring allowance to the corporation, we will issue a receipt to the member to use when filing their income tax return for the year in which the payment is made.

If a member pays by RRSP transfer, we will not issue a receipt as the funds are already tax-sheltered and would have been deducted by the member at the time they were contributed. However, we will acknowledge receipt of these funds by sending the member a *Purchase Confirmation Letter*.

If you are paying for some or all of a member's purchase, then no tax receipt will be issued for the employer portion of the purchase.

In the event of payroll arrears you are required to remit both the employee and employer portions and then recover that amount from the member. You are responsible for indicating the deduction for the plan member's portion on their T4 slip.

9.5 Pension Adjustment Reversal (PAR)

Pension Adjustment Reversals (PARs) are issued to restore RRSP contribution room to members who terminate employment and transfer their benefits out of the pension plan.

If a member leaves the pension plan before retirement, the total PAs and any PSPAs may have overestimated the value of the benefit earned after 1989, and the member may have lost too much RRSP contribution room. PARs give back that RRSP contribution room, where applicable.

PARs are issued for members who terminate employment after 1996 and transfer their benefit out of the plan, whether to an RRSP, another pension plan, or as a cash payment to the member.

Terminated members who leave their funds on deposit for a deferred retirement benefit do not receive PARs.

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10 DIVISION OF BENEFITS ON MARITAL BREAKDOWN

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10 DIVISION OF BENEFITS ON MARITAL BREAKDOWN

Any spouse who believes they may have an entitlement to a benefit should file a Form P1 as soon as possible

A pension is presumed by law to be a family property, which means that it may be divided when a marriage breaks down. The *Family Law Act* governs how a pension may be divided between a plan member and their spouse when they separate or divorce. Both parties should consider obtaining legal advice about dividing matrimonial property. The pension plan cannot provide advice about dividing pensions.

For further information, see the website college.pensionsbc.ca, or have the member contact Member Services.

10.1 Determining the value of the retirement benefit

The College Pension Plan is a defined benefit plan, meaning that retirement benefits are based on a formula of years worked, earnings and retirement age. The plan member's contributions do not represent the entire value of the pension. If the member's former spouse is considering a cash payment rather than a pension split, it may be necessary to determine the value of the pension in order to divide it fairly. This is called a valuation. If one of your plan members or their former spouse requires a valuation, they should consult an actuary.

A former spouse can protect their entitlement to a share of the pension by submitting a *Form P1: Claim and Request for Information and Notice* (available at college.pensionsbc.ca/submit-a-form-to-claim-your-share-of-your-former-spouse-s-pension). After Form P1 is submitted, the plan will notify the former spouse of any subsequent significant transactions affecting the pension. Upon also receiving evidence of the spousal relationship—such as a clear copy of the marriage certificate—the plan can release certain information to the former spouse regarding the affected pension. This information may be needed for an actuary to calculate the value of the pension. A court order or separation agreement is not required to be submitted with a Form P1.

