

# 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 *Teachers' 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 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 Teachers' Pension Plan and send it with the remittance form to the plan [mailing address](#) (not the address on the remittance form).

- If you have members in more than one pension plan administered by the corporation, use the plan-specific remittance form for each plan.

### 8.3 Electronic contribution remittance form

Pay date drives the contribution rate, e.g., if your payroll period is June 19 to June 29, and your pay date is July 3, deduct contributions based on the contribution rate in effect on July 3.

Employer contributions for a payroll period must equal employee contributions for the period + pensionable salary × the difference between employee and employer contribution rates.

#### ***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***

Employer contributions for active members continue until November 30 of the year in which the member reaches the latest retirement age (71). 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 plan rules for more information.

#### ***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.

#### ***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 plan.

## 8.4 Balancing remitted contributions to reported data

The critical date to the balancing process is the pay date.

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.

At the end of the reporting period (your last pay date in 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.

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 segment January 1–December 31. Verify all member data and correct errors prior to submitting your *Payroll Report* and final remittance for the year.

### **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 the Employer Operations at [employer.services@penisonsbc.ca](mailto:employer.services@penisonsbc.ca).

### 8.4.1 Current year arrears

Prior year arrears require a POS calculation.

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.