

SECTION CONTENTS

2 PURCHASE OF SERVICE & PENSION TRANSFER AGREEMENTS

2.1	Leave of absence (LOA)	3
2.1.1	Employment Standard Act LOA Timeframes	4
2.1.2	Eligibility for Purchasing ESA Provided Leave	12
2.1.3	General leave	13
2.1.4	All leave types	13
2.1.5	Deadlines to purchase leaves	14
2.1.6	Cost to purchase leaves	14
2.2	Reinstatement	15
2.3	Arrears	15
2.3.1	Eligibility to purchase arrears	15
2.3.2	Cost to purchase arrears	16
2.4	Child-rearing	16
2.4.1	Eligibility for child-rearing time	16
2.5	Applying to purchase service	17
2.5.1	When is an application form required?	17
2.5.2	Members on leave prior to retirement	17
2.5.3	Purchase cost estimates	17
2.5.4	Continuous contributions while on an ESA leave	18

2.6	The purchase of service application	19
2.6.1	The purchase package overview	19
2.6.2	Purchase of service information for the member	19
2.6.3	Reviewing and verifying the purchase application form	19
2.6.4	The purchase application form	20
2.6.5	Forward the application to the WorkSafeBC Pension Plan	23
2.6.6	Request for an updated purchase cost	24
2.7	Paying for purchases	24
2.7.1	Methods of payment	24
2.7.2	Tax implications	24
2.7.3	Payment on retirement or termination	25
2.8	Payment and billing	25
2.8.1	Arrears	25
2.8.2	Leave of absence	26
29	Pension transfer agreements	26

2 PURCHASE OF SERVICE & PENSION TRANSFER AGREEMENTS

Purchasing service means paying for periods of employment that have not been counted as service with the WorkSafeBC Pension Plan. Purchasing service may increase a plan member's pension benefit.

2.1 Leave of absence (LOA)

Members must apply to purchase service before ending their employment.

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 the member pays their portion and WorkSafeBC is billed for the employer portion. For example:
 - personal leaves of 10 days or less
 - self-funded leaves as outlined in the *WorkSafeBC Pension Plan Leave of Absence Guidelines*

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 (ESA)</i> or <i>Income Tax Act Regulations (ITAR)</i>, 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
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

PURCHASE TYPE	LEAVE LIMITS	IMPORTANT DETAILS
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 or 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 6 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 6 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).

It is your responsibility to verify the leave period. The plan member must provide you with the birth certificate or adoption papers to verify the birth date. The plan does not see these documents.

- 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.

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 8 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;
- they are getting a COVID-19 vaccine (an employee may also be entitled to up to three hours of paid leave for

* 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).

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 ESA 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 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 provided 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 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.

2.1.4 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,
- 35 years in total, or
- Canada Revenue Agency maximums (contact CRA or the WorkSafeBC for more details)

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.
Contact the WorkSafeBC for more information

2.1.5 Deadlines to purchase leaves

For WSBC the deadline is the earlier of:

- the date which is 5 years from the end of the period of leave that is being purchased, and
- the member's termination of employment.

A member who does not apply to purchase a leave before ending their employment will never be able to purchase that leave, even if the member again becomes an active plan member.

The member is not required to return to work after the leave, but must be an active member to apply to purchase. This means that if a plan member is not going to return to work after a leave, application must be made while on leave (and therefore an active member) to be eligible to purchase.

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

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.

2.1.6 Cost to purchase leaves

For leave of absence, the cost to purchase service is based on the member's current full time equivalent salary, multiplied by the leave period, multiplied by the employee and employer contribution rate.

Please note:

- The contribution rate at the time of purchase is applied for lump sum payments.
- The contribution rate at the time of leave is applied for continuous contribution payments.

A member may generate an estimate of the cost to purchase service (lump sum only) 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 worksafe.pensionsbc.ca/submit-a-form-to-buy-service.

2.2 Reinstatement

The reinstatement provisions were in effect until December 31, 2021. Effective January 1, 2022 the reinstatement provisions are no longer applicable.

Effective September 30, 2015, the plan rules removed reinstatement eligibility for members who joined the plan on or after January 1, 2017. This permitted a member who terminated employment prior to September 30, 2015, received a refund of contributions and again became a member prior to January 1, 2017, reinstate the prior period of service. Repayment of the refund had to be on or before the earlier of five years after again becoming a member and termination of employment. The reinstatement provisions were transitional and applied to a closed group of individuals, including non-vested members who terminated prior to September 30, 2015. The reinstatement provisions subsequently expired after December 31, 2021. As a result the reinstatement provisions are repealed from the plan rules effective January 1, 2022.

2.3 Arrears

Arrears occur when a plan member and you, as the employer, should have contributed to the plan, but did not. We may advise you if an arrears situation occurs. If you are aware of a possible arrears situation, you should notify the employee and submit an application form on their behalf.

2.3.1 Eligibility to purchase arrears

Any missed deduction is defined as arrears.

You must pay on receipt of the *Statement of Cost*.

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.

2.3.2 Cost to purchase arrears

The cost to purchase the arrears period is based on the amount the member would have contributed at the time of the arrears period, plus compounded interest at the refund interest rate to the date of payment.

2.4 Child-rearing

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

Unlike purchasing a leave, members do not pay to receive a credit for child-rearing time. Rather, the time is counted as contributory service if the member meets the eligibility requirement (see below). If plan members plan to retire under age 60, additional contributory service from child-rearing time could help them meet the age plus service requirement for an unreduced retirement benefit, or for a lower reduction.

2.4.1 Eligibility for child-rearing time

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

- be an active member at the time of application,
- quit work or take an employer-approved leave of absence from the plan for the purpose of child-rearing,
- return to work and begin pension contributions again,
- have made pension contributions before they took the time off,
- not have contributed to any registered pension plan during the child-rearing time, and
- have paid back any refund of plan contributions the member might have taken for service immediately before the child-rearing period (see section 2.3 Reinstatement).

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.

2.5 Applying to purchase service

2.5.1 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 plan. The plan member or the employer must complete a *Purchase of Service Application* form from worksafe.pensionsbc.ca/submit-a-form-to-buy-service. You or your employee must complete Part A.

You must complete a separate application for each purchase type, except for multiple general leaves of absence that occur during the same reporting segment (i.e., January to March and April to December); 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.

2.5.2 Members on leave prior to retirement

Remember, plan members must be active (including being on a leave of absence) to apply to purchase service.

If a member is on a leave of absence just before retiring and wishes to purchase service:

- the member should apply to purchase that leave (and any other unpaid purchases) before their retirement date,
- the member should apply about two months before their retirement date if they wish to complete the purchase before retiring,
- the member must pay by the due date 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 when the purchased service is credited to the member's account.

2.5.3 Purchase cost estimates

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 formal application and before having you complete the employer portion of the application form.

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

Plan members can obtain these figures in two ways:

1. Online purchase 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 the application form directly from the estimator. It will be populated with the purchase details as entered by the member.

2. PDF version: A *Purchase of Service Application Package* is available at worksafe.pensionsbc.ca/submit-a-form-to-buy-service.

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 plan.

2.5.4 Continuous contributions while on an ESA leave

For ESA leaves commencing on or after July 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, or buy service in one payment up to five years after the leave ends.

- 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 to make continuous contributions within 30 days of the leave start date, the employer will date stamp

and photocopy the application. The employer will then 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.

2.6 The purchase of service application

2.6.1 The purchase package overview

The purpose of the purchase application package is to help the member better understand purchase of service and their role in the purchase process.

2.6.2 Purchase of service information for the member

The *Purchase of Service Application Package* provides answers to questions about purchasing service, and a brief description of the types of purchases (arrears and leaves of absence) and eligibility.

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

2.6.3 Reviewing and verifying the purchase application 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.

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

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. 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. 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 2.6.4.1 (you may have to ask for this information from your employee).

2.6.4 The purchase application form

2.6.4.1 Part A—To be completed by the plan member or the employer

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.

Members must complete the following critical fields:

- Plan member name and address
- Phone number and email address
- Type of Purchase
- Period of Service Applying to Purchase—some members may find it difficult to determine the actual dates of service. In some instances you may need to help the member to find these dates.
- Amount of Service Applying to Purchase—the member must choose either full- 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.
- 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.

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

- **Type of purchase:** The member must complete a separate application for each purchase type, except for multiple general leaves of absence that occur during the same reporting segment (i.e., January to March and April to December). In that instance, only complete 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.
- **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) before signing the application form. The plan does not need these documents.
- **Amount of service:** Confirm the amount of eligible service to be purchased. The member will complete this in one of two ways:
 1. Indicate if they are full-time or part-time; if part-time, the member will indicate the percentage of full-time employment. The plan will calculate the eligible service based on the start and end dates and the percentage you have given us; or
 2. Indicate the number of months of pensionable and contributory service eligible for purchase.

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 confirm the requested period of service, you must complete Part B.

2.6.4.2 Part B—To be completed by the employer

It is your responsibility to provide us with the current annual pensionable salary (full-time equivalent). This will be the salary the 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.

Additional information on pensionable salary can be located in Section 7 of this Employer Manual.

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 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 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.

We use the current year service information to determine how much service the member is eligible to purchase. Refer to eligibility rules in section 2.1.1.

If the request is for pregnancy/maternity or parental leave you must provide us with the months of pensionable service the member has accrued because of pregnancy/maternity and/or parental leave top up.

By signing Part B, you are confirming the information in Part 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. Please refer to purchase eligibility for each type of purchase earlier in this section.

2.6.5 Forward the application to the WorkSafeBC Pension Plan

Once all sections of the form are completed, send the form to us. We will produce a *Statement of Cost* and send it to the member. The member must pay by the due date on the statement to be eligible to purchase the service at that cost. If the member does not purchase, they may apply to have the cost recalculated, if 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 and they will be credited for any payments they made under Option 1. Upon recalculation, the member may purchase the service by making a lump sum payment.

2.6.6 Request for an updated purchase cost

To receive an updated cost, members must formally request an update 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 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 plan. We will send out a new *Statement of Cost* to the member.

2.7 Paying for purchases

2.7.1 Methods of payment

There are several possible methods of payment:

- cash from plan member (EFT or cheque),
- RRSP transfer,
- employer funds,
- employee funds directed from a payment on retirement or termination (article 63 payment), or
- combination of any of the above.

Management, as well as collective agreement employees, can use funds directed from a payment on retirement or termination to pay for a purchase.

2.7.2 Tax implications

Contributions to pay for purchases may be tax-deductible. If a member pays in cash (by cheque or EFT) directly to the 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 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.

Members should contact CRA directly for tax information.

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 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*.

No tax receipts are issued for employer-funded payments, other than payments on retirement or termination as set out below.

2.7.3 Payment on retirement or termination

If the payment is from an employer-issued payment on retirement or termination, 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 an employer-issued payment on retirement or termination may affect RRSP room.

2.8 Payment and billing

2.8.1 Arrears

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

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.

In the event of enrolment arrears, we will bill you and the member separately for your respective portions.

Employee portion—we will send the member a *Statement of Cost* for the employee portion. The member must decide whether 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*.

2.8.2 Leave of absence

You are responsible for paying the employer 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 you. You must pay by the due date 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 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*.

29 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”). Members who believe they might be eligible to transfer service from another pension plan can get more information by visiting worksafe.pensionsbc.ca/calculating-the-value-of-your-service.

Transfer of full service from one plan to another is not guaranteed. Differences in benefit formulas, salaries and other factors affect 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 end their 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 plan to find out if there is an agreement in place with another pension plan, and on how to proceed.

Deadlines apply to pension transfer agreements. Contact the plan right away if a new member has previous service in another plan.