

EMPLOYER INSTRUCTION MANUAL

WORKSAFEBC PENSION PLAN

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INTRODUCTION

Welcome to the Employer Instruction Manual

WorkSafeBC Pension Committee

WorkSafeBC is responsible for managing the pension plan, including investing the plan's assets and administering the plan's benefits. WorkSafeBC appoints the pension committee members. There are three pension committee members for the WorkSafeBC Pension Plan (plan). The pension committee members are appointed by the WorkSafeBC Board of Directors (the board). One represents the members of the plan, one represents WorkSafeBC and one provides an independent perspective. Among other duties, the pension committee members are responsible for the prudent investment of the plan's assets and ensuring the plan's administration services are provided to plan members.

Pension plan rules

A copy of the WorkSafeBC Pension Plan Rules is available on the plan's website at worksafe.pensionsbc.ca/worksafebc-pension-plan-documents. Copies of legislation affecting the plan, such as 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 (Pension Corporation) is appointed as the administrative agent on behalf of the pension committee members. The Pension Corporation is one of Canada's largest pension administrators, and serves the pension committee members for the largest public sector pension plans in British Columbia, representing approximately 500,000 plan members and over 1,000 plan employers.

Duties of the corporation

The Pension Corporation acts as the administrative agent on behalf of WorkSafeBC. The corporation enrolls members, collects contributions, processes benefits and issues pension payments.

Pension plan website

The Pension Corporation maintains the plan's website at worksafe.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.

Employer

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 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*.

Publications

Annual Report and Report to Members

A copy of the board’s *Annual Report* is available to active 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

The *Employer Instruction Manual* is provided to help you administer the pension plan for your employees who are plan members. Manual sections are updated quarterly or as needed. Check the employer website for updates.

Bulletins and newsletters

The Pension Corporation publishes a monthly, online employer newsletter with information about the plan and data reporting. Emails are sent to the employer if information is time sensitive.

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

The Pension Corporation publishes and mails *Pension Life* directly to retired members.

Member's Statements

Member's Benefit Statements are sent to members every year, to show members their status in the plan. Members can also view their statement under My Account.

Additional information for members and employers

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

Other information

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

Using the instruction manual

New and updated information is added to the *Employer Instruction Manual* on a quarterly basis or as needed. To ensure that you are always receiving the most up-to-date information, it is important that you always access this manual via the website at worksafe.pensionsbc.ca.

There are 10 major sections:

1. Enrolment
2. Purchase of Service & Pension Transfer Agreements
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” means the Pension Corporation.

Forms

You can download any form from the website at worksafe.pensionsbc.ca.

Contacting the BC Pension Corporation

Mailing address

WorkSafeBC 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.

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

Fax: 250-356-1784

Email: employer.services@pensionsbc.ca

Member Services

Member Services serves both plan members and plan employers, and is responsible for service requests regarding termination of employment, retirement, death of a plan member, and service purchases.

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

Fax: 250-953-0433

Retired Members

Contact information for retired members.

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

Fax: 250-953-0431

Publications (all plans)

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

Fax: 250-356-9591

Email: penc.orderproducts@pensionsbc.ca

Disclaimer

Rules and employer process information in the *Employer Instruction Manual* may be subject to change without notice. Updated material will be provided as rules and/or processes change. Check the plan 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 WorkSafeBC Pension Plan.

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 below.

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

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

Once becoming a member of the plan, the employee must continue to contribute until termination of employment. A member must stop contributing to the plan by November 30 the year they turn 71. In addition, member and employer contributions stop when a regular member reaches 35 years of pensionable service.

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

1.1.1 New employees

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

Mandatory enrolment

Permanent full-time and part-time employees.

Optional enrolment

Any other employee who has completed two years of continuous employment with salary of at least 35 per cent of the year's maximum pensionable earnings in each of two consecutive calendar years.

If your employee becomes eligible to contribute under optional enrolment, you must notify the employee and advise them of their options.

1.1.2 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 (permanent or temporary) until termination of employment for pension purposes.

The following conditions do not result in a termination of employment for plan purposes:

- approved leaves of absence (including sick leave)
- long-term disability (LTD) with your approved plan, or

If employment is terminated, the employee must re-qualify to become an active plan member again.

Once a contributor,
always a contributor.

1.1.3 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 worksafe.pensionsbc.ca by entering the search term "guide for plan members" and then clicking Guide for plan members.

As the employer, it is your responsibility to:

- explain and provide information to all employees who are not already active members of the plan on how to qualify for membership; and,

- track each employee's service and earnings as an employee of your organization to determine when an employee qualifies for enrolment in the plan based on earnings and service with you.

You must provide us with complete, accurate and timely enrolment information about members. This is necessary for us to properly 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.

Report new address information for employees who are plan members on an ongoing basis via the Plan Member Record Electronic Update 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*.

1.1.4 Plan Member Record (PMR)

You must complete and submit plan member record information electronically within 30 days of enrolment for every member who becomes eligible and begins contributing to the 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.

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.

1.1.5 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 plan pays benefits to a plan member's beneficiary(ies) when the member dies prior to receiving a benefit from the plan. 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 their entitlement to a benefit on the *Form 4: Spouse's Waiver of Beneficiary Right to Benefits* form and the member can then designate other beneficiary(ies).

Members without a spouse 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, visit worksafe.pensionsbc.ca/name-or-change-a-beneficiary-before-retirement.

Members can change their beneficiary(ies) at any time, through My Account at worksafe.pensionsbc.ca.

If we haven't received any beneficiary information, the benefit will be paid to the member's estate.

For complete information, visit worksafe.pensionsbc.ca/beneficiaries.

1.3 Transferring pension rights

If a member worked for an employer covered by a pension transfer agreement, the plan may contact the member directly about transferring their pension rights, including their contributions and years of service, to their current plan (see section 2.6). These members should be treated as new employees and subject to plan enrolment rules.

1.4 Re-employment of retired members

See section 2.6 for more information on transferring pensions.

If a retired member is receiving a retirement benefit from WorkSafeBC Pension Plan and returns to work for WorkSafeBC, their retirement benefit payments will continue. They may not re-start contributions to the plan.

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

1.5 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.

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 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.

Providing the documents

Clear and legible copies of original documents must be provided. Both physical and electronic copies are acceptable.

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.

ACCEPTABLE DOCUMENTS

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 certificates.

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

Enrolment checklist

Remember to...

- Provide your employee with access to a copy of [Guide for Plan Members](#).
- Advise your optional employee about the enrolment rules.
- Ask your employee if they are already retired and receiving a WorkSafeBC retirement benefit (see section 1.4).
- Complete and submit plan member record information electronically within 30 days of enrolment.
- Ask your employee to sign in to My Account at worksafe.pensionsbc.ca and upload documents to establish proof of age and identity.
- Ask your employee if they wish to nominate a beneficiary(ies) other than their current spouse or their estate and if they do, they can sign in to My Account to find out how.

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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.

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3 TERMINATION OF EMPLOYMENT

The normal retirement age for WorkSafeBC 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 plan benefits. 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, with interest to members who were not vested and terminated before September 30, 2015,
- a retirement benefit payable at a later date, or
- a lump-sum payment of the value of that pension (commuted value).

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

3.1 When has a member terminated employment for pension plan purposes?

In the case of a plan member receiving benefits under an LTD plan, termination of employment occurs when the long-term disability (LTD) benefits cease. Even if a member's employment has been terminated with you for all other purposes, the member has not terminated employment for plan purposes as long as LTD benefits are still being paid to the member under an LTD plan (see section 6).

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 *Payroll Report*, however we need the information in the meantime to provide the member with termination options.

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

- the member is on an approved leave of absence,
- the member is laid off but still has seniority rights under the collective agreement, including periods of layoff and recall and has made a contribution within one year,
- the member is a casual employee who has not worked recently but has not resigned or been dismissed,
- the member is receiving benefits 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, the termination of employment must still be reported. However, these members should be advised to contact the plan regarding their termination options. If a member takes a commuted value and is later reinstated, these payments cannot be reversed. For further information, please contact us.

3.2 Termination eligibility

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

Eligibility for termination of employment benefits depends on a member's age at the date of termination of employment. To learn more about pensionable and contributory service, see section 7.

If a plan member terminated employment before September 30, 2015, different rules apply and the member's options may be different. Please contact us if you require more information.

The following table outlines the options available based on age for people who terminate employment on or after September 30, 2015.

AGE RULES FOR BENEFIT ELIGIBILITY	
Age	Options
Under 55	Deferred retirement benefit Or Locked-in commuted value payment (funds must be withdrawn before age 55)
55 but under 60	Deferred retirement benefit Or Immediate retirement benefit (your pension is reduced if your age and contributory service total less than 90)
60 but under 65	Deferred retirement benefit Or Immediate retirement benefit (the member's retirement benefit is reduced if you have fewer than two years of contributory service)
65 or over	Unreduced retirement benefit

Deferred retirement benefit

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

Commuted value

The commuted value of the retirement 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 Benefit Standards Act*. A member can choose to take that benefit as a pension from the plan or may transfer the commuted value of the pension 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 amounts are under certain thresholds, 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 annual 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.

Clear copies of the necessary documents ensure termination can be paid.

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)
- orders or separation agreements pertaining to the splitting of pension benefits because of marital breakdown

It is important to submit Employee Information at Termination/Retirement data to us within 14 days so the plan member is provided their benefit options.

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

We will:

- calculate their termination benefit options, and
- send them a *Termination Selection Statement* outlining their options.

The member can then select a benefit.

Information about termination options is available at worksafe.pensionsbc.ca/what-happens-if-you-leave-your-job?

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.

If the member receives a lump-sum payment for vacation owing,

- the payment is not pensionable,
- the payment should not be included in salary,
- no deductions should be taken, and
- the termination date is the last day worked.

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

Termination checklist

Remember to...

- Submit Employee Information at Termination/Retirement online within 14 days.
- Advise the member that if they wish to purchase service, they must apply to do so before terminating employment with you.
- Get a current address from the member.
- 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 employment to retirement, or the member terminated employment from the plan earlier and now wants the pension payments to begin.

How members get information about their pensions

- Members can use the personalized pension estimator, available through My Account on the WorkSafeBC website, to create pension estimates based on their current service and salary information.
- Members can also review their annual *Member's Benefit Statement* (distributed in late summer), which provides a summary of pension information.
- When the member's retirement date is within 90 days, they can sign in to My Account at worksafe.pensionsbc.ca and apply for retirement online.

The retirement benefit

The WorkSafeBC pension formula results in a retirement benefit, and a member may also choose pension options that will continue to be paid to a beneficiary after the member's death.

4.1 Eligibility for a pension

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

The normal retirement age for WorkSafeBC plan members is 65, and the earliest retirement age is 55.

A member is eligible for an immediate pension when they reach age 55. Different rules apply for members who were not vested and terminated before September 30th 2015.

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

A member who is eligible for an immediate pension may choose to defer starting the pension until a later date.

A member who is considering deferring their retirement benefits should be advised to contact us for information.

If a member is on long-term disability and their benefits end, they may be eligible to apply for a pension. The member has two choices:

- Receive an immediate pension (refer to Age Rules for Benefit Eligibility in section 3.2), and if their LTD benefits are reinstated at a later date, you must notify the Pension Corporation. The member will stop receiving their pension and be credited with LTD service for the period the pension was paid.
- Give notice that they are appealing the termination of their LTD benefits, and enclose their application for pension to determine the retirement benefit effective date if their LTD appeal is unsuccessful.

If a member accepts a settlement outside of the LTD plan, the member is no longer eligible for a disability benefit from the WorkSafeBC 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

Highest average salary (HAS) is the salary used in the calculation of a member's benefit. It is the average of their highest five years of pensionable salaries.

The WorkSafeBC 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.

The retirement benefit is payable for the member's lifetime, and may continue to be paid to another person after the member's death, depending on the form of pension the member chooses at retirement (see section 4.3). The bridge benefit is payable from the time a member starts to receive a pension until age 65 or the member's death, whichever occurs first. The bridge benefit does not reduce the retirement benefit.

EXAMPLE

Lifetime Pension

$1.30\% \times \text{HAS (up to and including the YMPE)} \times \text{years of pensionable service}$

PLUS

$2.0\% \times (\text{HAS over the YMPE}) \times \text{years of pensionable service}$

Bridge Benefit

$0.70\% \times (\text{HAS up to and including the YMPE}) \times \text{years of pensionable service}$

The member receives both the lifetime pension and the bridge benefit up to age 65. At age 65, the bridge benefit stops but the member's retirement benefit remains.

4.3 Pension options overview

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

- is paid for the lifetime of the member, and
- is payable to the member’s beneficiary(ies) if the member dies before the end of the 10-year guarantee period.

A plan member may choose another pension option with a different level of guaranteed payment.

When a member selects an option other than the normal form of pension, the amount of the pension will change. 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.

Single life pensions with a guarantee 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. The guarantee period may be 5, 10 or 15 years. If the member dies before the end of the guarantee period, the rest of the benefit is paid to the member’s beneficiary(ies), or estate if no beneficiary exists. For more information, visit worksafe.pensionsbc.ca/how-your-beneficiaries-will-be-paid.

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

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

Joint life pensions are payable for the life of the member and the member’s spouse; if the spouse lives longer than the member, the spouse continues to receive some or all of the lifetime pension.

A member who has a spouse must select an option that guarantees at least 60 per cent of the member’s lifetime pension will continue to the spouse after the member’s death, unless the spouse waives entitlement in writing. This amount is paid as a joint life benefit.

Temporary annuities do not affect the bridge benefit.

Temporary annuities are temporary pension payments from retirement to age 65 or the member's death, whichever occurs first. This option provides for an increased pension from retirement to age 65 but permanently reduces the lifetime pension.

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 a payment to their beneficiary(ies) after death?
- If the member divorces, does that former spouse have an entitlement to a portion of the pension?
- What if the member is widowed with dependent children?
- What if the member becomes ill?
- Are there other sources of retirement income?

For more information, members can visit worksafe.pensionsbc.ca/choose-your-pension-option.

4.4 Reduced and unreduced pensions

The member's monthly retirement benefit amount will be reduced if the member does not meet certain age and service minimums. These reductions apply to both the lifetime and the bridge portions.

Pensions will not be reduced if:

- the member has two or more years of contributory service and the pension starts at age 60 or later
- the member has less than two years of contributory service and the pension starts at age 65 or later
- the member is age 55 or older and their age plus contributory service add up to at least 90. (This is called the "rule of 90" or the "age plus service rule".)

If the member does not meet these conditions, their pension will be reduced by three per cent for each year that the sum of the member's age plus years of contributory service is less than 90, or three per cent for each year the member is under age 60, to a maximum of 15 per cent, provided they:

- have at least 10 years of contributory service, and
- are at least age 50 at the date of termination.

Otherwise, the reduction is five per cent per year to a maximum of 50 per cent.

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 worksafe.pensionsbc.ca. If the member prefers to apply by mail they can contact the plan to request a *Retirement Application Package*.

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 send each active member a *Member's Benefit Statement* on an annual basis. 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.

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

See section 4.6 for limitations on calculations.

4.5.3 Additional information about the pension plan

Plan publications can be viewed on the plan website. Members can visit the plan website or contact WorkSafeBC Client Services with questions they may have about pensions.

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 WorkSafe BC Pension Plan and we will provide them with a pension estimate and retirement application package.

The estimator allows members to choose as many pension 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, or have service in another plan).

If the member is unable to perform an estimate on the personalized pension estimator, they should contact the plan and we will provide them with a pension estimate.

Retirement application—When the plan receives the **member's estimate request**, if the member is within four months of the retirement benefit effective date, we will provide a *Pension Estimate* and if they cannot retire online, they will receive a retirement application package. If the member is not within four months of the retirement benefit effective date and we receive an estimate request, the member will receive an estimate and insert.

When the member has decided on their exact retirement date, you will need to complete the Employee Service, Salary and Contributions (ESSC) section on the Pension Application. When submitting the *Employee Information at Termination/Retirement* form online, you will need to provide us with the member's last day of work, the retirement date, and provide the final salary, service and contribution information.

When you sign the Employee Information at Termination or Retirement form, you are certifying a member's salary, service and contributions to the plan.

You need to complete and return this form to the plan by the member's retirement date. 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 researched *Pension Estimate* from us. The estimate gives them the estimated monthly retirement benefit amount payable under the various pension options.

4.6.2 Standard pension options

All members

- **Single life pension with no guarantee:** A pension that is payable for as long as a member lives, but does not provide any pension benefits after the member's death. Pension payments stop at the end of the month in which the member dies.
- **Single life pension guaranteed 5 years:** A pension that is payable for as long as a member lives. If the member dies before the completion of 60 payments (five years), their beneficiary will continue to receive payments until 60 payments have been made. No payments are made to the beneficiary(ies) if the member dies after the five-year guarantee period.
- **Single life pension guaranteed 10 years (normal form):** A pension that is payable for as long as a member lives. If the member dies before the completion of 120 payments (ten years), their beneficiary(ies) will continue to receive payments until 120 payments have been made. No payments are made to the beneficiary(ies) if the member dies after the ten-year guarantee period.
- **Single life pension guaranteed 15 years:** A pension that is payable for as long as a member lives. If the member dies before the completion of 180 payments (15 years), their beneficiary(ies) will continue to receive payments until 180 payments have been made. No payments are made to the beneficiary(ies) if the member dies after the 15-year guarantee period.

In addition to the lifetime pension option chosen, the member receives a bridge benefit that is paid until the member reaches age 65 or dies, whichever occurs first. The bridge benefit always stops when the member dies.

Members with a spouse

A member who has a spouse must select an option that ensures a minimum of 60 per cent of the lifetime portion of the pension will go to the spouse on the plan member's death, unless the spouse waives this right. Then the member may choose a single life guaranteed pension option.

- **100% joint life pension (JL):** 100 per cent of the retirement benefit is payable for the life of the member and the spouse. The pension stops being paid after the death of the last survivor.
- **60% joint life contributor death (JLCD) pension guaranteed 10 years:** 100 per cent of the lifetime pension is payable for the member's lifetime. If the member dies within the guarantee period, 100 per cent of the pension continues to be payable to the spouse until the guarantee period expires and then reduces to 60 per cent for the life of the spouse. If the member dies after the guarantee period expires, 60 per cent of the pension is payable for the lifetime of the spouse.

Members may also request additional pension options for consideration, including but not limited to:

- any other percentage joint life option, to a minimum of 60 per cent,
- a joint life option lower than 60 per cent, provided the spouse has waived their entitlement,
- the previously noted single and joint life options with temporary annuities, and/or
- a 5- or 15-year guarantee on the JLCD pension.

The joint life pension options are only available to members with a spouse. For information on members with former spouses, please see section 10.

4.6.3 Nomination of beneficiary

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.

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

If a member chooses a joint life option, including combination joint life guarantee options, the beneficiary must be the spouse, although the member can nominate an alternate for the guarantee portion in case the spouse dies before the member. See worksafe.pensionsbc.ca/how-your-beneficiaries-will-be-paid more information.

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 this nomination 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 the nomination at any time prior to their (member's) death and the end of the guarantee period.

Pension options with guarantee periods (as described above), whether chosen as single life guaranteed pensions on their own or as part of a joint life contributor death option, may provide for a benefit to be paid after the member's death.

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.

4.6.4 Automated direct deposit system

The accuracy of the member's banking information is critical in ensuring that pensions are paid on time.

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

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 worksafe.pensionsbc.ca/apply-for-direct-deposit-to-a-u.s.-account.

If the retirement benefit payment is to be deposited to a Canadian 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 pension

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 pension entitlement begins the first of the month following the last paid day. Pension payments are normally deposited two banking days before the end of the month.

We will not accept *Spousal Declaration* or *Spousal Waiver* forms if they are dated more than 90 days before retirement.

You must submit Employee Information at Termination/Retirement online within 14 days of termination or as soon as the final payroll has been completed. 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. You can also select the EITR Submitted Report to view all the member information you have submitted within a specific time frame.”

As part of the online retirement process, the member must sign and submit the *Pension Estimate* and *Spousal Declaration* forms. The *Spousal Declaration* must be signed and dated no earlier than 90 days prior to the member's retirement benefit effective date.

The member's retirement benefit is effective the first day of the month following their final paid day of employment, or the first day of the month in which we receive their completed application package, whichever is later. The member will be able to access My Account to view the details of their pension.

4.8 After the retirement benefit starts

4.8.1 Changing the pension option

Members may be able to change their pension option by informing the plan, in writing, within 60 days after they start receiving their retirement benefit.

Members may be able to change their pension option by informing the plan in writing, within 60 days of the date of the letter advising the member of their final retirement benefit. After that time, the pension option selected is irrevocable. The date a pension is granted is the later of:

- the first day of the month following the month for which final payment of salary is made,
- the first day of the month in which the application for a retirement benefit is filed with the plan administrative agent, or
- the first day of the month following the month in which the member first becomes eligible to receive a retirement benefit,

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

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

Once a pension starts, it may be increased each year to adjust for cost-of-living increases. This is known as “indexing”. Future indexing is not guaranteed, but rather is available as long as there are sufficient funds in the Inflation Adjustment Account. The annual adjustment is based on the Canadian Consumer Price Index (CPI).

Subject to sufficient funding, pensions are indexed each year starting the January 1 following the retirement benefit effective date. Indexing is pro-rated for pensions in effect less than one year and applies to all portions of the retirement benefit. Once indexing has started, it is part of the basic pension.

4.8.3 Income tax

Pensions are taxable. We will deduct income tax based on the retirement benefit 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 pensions in pay

Any time the retirement benefit or group benefit coverage changes, we will send a transaction statement to the member notifying them of the change. We also send a semi-annual statement 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 WorkSafeBC 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.

Refer to the Service Canada website at [servicecanada.gc.ca](https://www.servicecanada.gc.ca) for more information.

4.9.1 Canada Pension Plan

The Canada Pension Plan (CPP) 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 year's maximum pensionable earnings (YMPE).

4.9.2 Old age security

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

4.9.3 Applying for federal pensions

Refer to the Service Canada website for more information about the federal government plans, including minimum age requirements.

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](https://www.servicecanada.gc.ca).

Types of pension summary

TYPES OF PENSION	PAID FOR MEMBER'S LIFE?	PAID AFTER MEMBER'S DEATH?	EARLY RETIREMENT REDUCTION APPLIES?	RECEIVES COST OF LIVING ADJUSTMENT?
Single life pension with no guarantee	Yes	No	Yes*	Yes
Single life pension guaranteed 5-, 10-, or 15 years	Yes	Yes if member dies before the end of the guarantee period. No if member dies after the end of the guarantee period.	Yes*	Yes
Joint life pension 100%	Yes	Yes if the spouse is living. No if the spouse is deceased.	Yes*	Yes
Joint life pension 60% and guaranteed 5-, 10-, or 15 years	Yes	Yes if the spouse is living or if the member dies before the end of the guarantee period. No if the spouse is deceased and the member dies after the guarantee period expires.	Yes*	Yes
Temporary Annuity	No (paid to the earlier of the member's reaching age 65 or death).	No	n/a	Yes
Bridge Benefit	No (paid to the earlier of the member's reaching age 65 or death).	No	Yes*	Yes

* Early retirement reduction depends on the member's age and years of contributory service on retirement. See section 4.4 for details.

Retirement checklist

Remember to...

- ✓ Remind your employee they can do their own estimate by signing in to My Account and using the Personalized Pension Estimator.
- ✓ Tell the member to check worksafe.pensionsbc.ca for retirement planning information
- ✓ Advise the member that if they wish to purchase or transfer their service, they must apply to do so before retiring
- ✓ Have the member provide the plan with proof of age and identity documents
- ✓ Check that the member's last paid day is as close to the end of the month as possible
- ✓ Check whether the last day worked is the same as the last day paid
- ✓ If the member does not use My Account to retire online and you handle the application, submit it to us on the member's last paid day.

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5 PRE-RETIREMENT DEATH

Pre-retirement death benefits are payable from the WorkSafeBC 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,
 - no longer contributing to the plan but still working after having accrued 35 years of pensionable service,
 - receiving long-term disability (LTD) from an disability plan,
 - on an approved leave of absence and not having 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?

The member's spouse is automatically the beneficiary (unless the spouse has waived entitlement to the pre-retirement death benefit by completing *Form 4: Spouse's Waiver of Beneficiary Right to Benefits*). 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.

Where a former spouse has a written agreement or court order under which the plan member has agreed to divide the future benefit on death or retirement, the plan will follow the terms of the agreement or court order when paying any pre-retirement death benefits.

5.3 What benefits are payable?

Refer to the following charts 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.

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 pension, 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 pension

The immediate pension 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 usually be transferred to an approved registered retirement vehicle and must 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 retirement benefit. The pension cannot start earlier than the month following the month in which the member died.

If the pension is under a set threshold, 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 surviving spouse
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 an active plan member dies, 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 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.

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6 SHORT-TERM DISABILITY AND LONG-TERM DISABILITY

6.1 Group disability plans

Long-term disability (LTD) policies provide benefits to employees who become disabled. Your LTD policy is approved for pension purposes by the WorkSafeBC Pension Plan.

6.1.1 Long-term disability (LTD)

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

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

If a member is receiving LTD benefits from your **approved** group disability plan, neither you nor the member contributes to the plan, but the member still accrues pensionable and contributory service. You cannot terminate a member for pension purposes until the carrier terminates the LTD claim. Although you may consider the member to have terminated employment for other reasons, the member has not terminated employment for plan purposes. For example, even if you are no longer required to offer them a position if the period of disability ends because a “two year-own occupation” time frame has passed, the member has still not terminated for plan purposes. See section 7.3.3.2 for instructions on reporting LTD breaks.

When the member stops receiving LTD benefits you should submit Employee Information at Termination/Retirement online if the member is not returning to work. Submit the Employee Information at Termination/Retirement the day after the LTD stop information. See section 3 for more information on terminating employment and section 7.3.3.1 for information on employer reporting for members receiving benefits under an LTD plan.

Please contact us for a *Long-term Disability Plan Application for Approval* form if you have another 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.

6.1.2 Annual LTD policy validation process

You are required to validate their group disability policy information annually. If you have an approved group disability policy, you will sign in to the secure employer website to access the online LTD Policy Validation tool to confirm your LTD information. Although the WorkSafeBC Board approves the group disability plan for WorkSafeBC, the pension corporation still requires confirmation that the information in our records is accurate.

If you do not have an approved group disability plan, you will still need to sign in to 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 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 need to contact the Policy Branch of the Pension Corporation.

6.1.3 Long-term disability (LTD) benefits end

If a member's LTD benefits end, the member does not recommence contributions to the plan, and the member's employment is terminated, the member's options depend in part on the member's age.

- If the member is age 55 or older, but under age 60, the member may apply for a retirement benefit or a disability benefit.
- If the member is **under** age 55, 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 3.2.

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.

6.2 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 LTD carrier/administrator has accepted the member to be on a LTD claim.

Once the member has been accepted on LTD, they:

- continue to accumulate pensionable and contributory service in the 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.

6.2.1 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 information has been submitted, the data goes through an overnight process which may uncover additional errors.

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

6.2.2 LTD reporting options

There are three ways to report employee LTD information, but WorkSafeBC has chosen to report this information using standard format files and individual records. The report must include all members who have started or stopped LTD.

6.2.2.1 *Standard format file*

You can report LTD information for multiple members at the same time by using a standard format file. 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:

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.

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).

6.2.2.2 Individual record

Sign in to the secure employer website and access the Employer Portal; select Employer Reporting and then select LTD Start/Stop, and then select Employee Lookup.

When you enter the member’s information you will be able to:

- 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.
- view member’s LTD history.

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 year prior to their LTD start date.

If you are entering an LTD stop, you can record rehabilitation (RH) service, salary, and contribution information that was paid during the current year 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 annual 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 annual report or create a secondary report to supplement your payroll report.

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

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.

6.2.3 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.

6.2.4 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).

6.2.5 Retroactive WorkSafeBC compensation

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

Possible scenarios:

- If a member is receiving benefits 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).

- If a member received a benefit benefits under an LTD plan and the carrier no longer recognizes the period as an LTD benefit, then retroactive WorkSafeBC replacement salary is pensionable. The period must be purchased as arrears (see section 2). Any previous LTD service from that period reported to the Plan must be reversed.
- If a member is receiving a benefit benefits under an LTD plan, retroactive WorkSafeBC replacement salary is not pensionable.

6.2.6 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 payroll report (see section 7).

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

6.2.7 Long-term disability termination date

For pension purposes, a member receiving benefits under an LTD plan 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 one the earlier of:

- the date the claim ends per the terms of the LTD plan, or
- the member's date of death.

If the member is age 55 or older, but under age 60, and their LTD stops, the member may apply for either a regular pension 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
- if the member is proceeding directly to pension, have the member complete the pension application for you to submit
- submit Employee Information at Termination/Retirement online if the member is not returning to work

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.

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

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

If you change your carrier or any terms of your existing approved group disability plan, contact our policy department.

6.2.9 Payroll reporting and long-term disability 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).

6.2.10 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 segment reported service goes over the maximum allowable. If this occurs, we will reduce the LTD pensionable service and/or make any adjustments you have identified.

6.2.11 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).

6.2.12 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.

6.3 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	WorkSafeBC
Org	Your employer number
PLAN_ABBREV_NM	WorkSafeBC
Last Name	Member's last name
First Name	Member's first name
SIN	Member's SIN
EEgrp	Member's employee group (e.g. 01GENRL)
% 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 July 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 July (on LTD for 22 calendar days in July) divided by the total calendar days in July: $(22/31 = 0.7097)$.
 - Add five full months of pensionable and contributory service (one full month each for the months August through December).
-

When the April 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 April 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.**

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7 REPORTING

7.1 Introduction

As the employer, you report members' service, salary and contributions to us twice a year, and this information is used to determine members' benefit entitlements. When reporting period data submitted 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 (section 1), purchases (section 2), termination (section 3) or retirement (section 4).

You and your enrolled employees make contributions to the 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. In addition, we will explain how to report for 35-year members. 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 worksafe-employer.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. If you have existing employees that are not contributing, you can also use this tool to check if they are contributing.

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 also 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 you can 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.

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).

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 plan if you have a question about whether a type of salary paid is pensionable or non-pensionable.

Inclusions

- Regular pay
- Substitution pay/temporary assignment pay
- Vacation pay
- Rehabilitation pay
- Shift premium
- Salary premium
- Pay in lieu of time worked
- Cash incentive hours
- Frozen sick leave hours/taken
- Language premium
- Maternity sick leave
- Northern living allowance (part of collective agreement)
- Personal business (paid time for legal appointments, etc.)
- Physician's time off
- Sick leave
- Standby pay

- Surplus hours
- SDL Manager premiums
- Your Choice Days/dollars
- Gratuity pay (16 weeks maximum)
- WorkSafeBC Claim (i.e., paid through the employer)
- Retroactive pay (see table below)
- Bonus payments (see table below)

EARNING CODE	EXPLANATION	PAID	PERIOD APPLIED TO
RTE	Retroactive pay	Current year	Prior pay periods in current and previous years
JEP	Job Evaluation Previous Year	Current year	Previous year(s)
JEC	Job Evaluation Current Year	Current year	Prior pay periods in current year
EBP	Executive Benefit Payout	Current year	Previous year
EBR	Management Retention Bonus	Current year	Current year
MBO	Management Bonus	Current year	Previous year
XBO	Exempt Bonus	Current year	Previous year
PQS	Pay Equity	Current year	Prior pay periods in current and previous years
PRC	Salary Premium—Claims Management Solutions (CMS)	2012	2005–2009 (see file for breakdown)
GOL	Goal Sharing	Current year	Previous year
GSH	Gain Sharing	Current year	Previous year
BON	Signing Bonus	Current year	Current year

Exclusions

- Overtime pay
- Expense reimbursements
- Lump-sum payments in lieu of vacation or severance
- Long-service awards

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 plan for advice **in advance**.

7.3.2 Pensionable and contributory service

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

- pensionable service, and
- contributory service.

Pensionable service is based on 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 pension, and any early retirement reduction. See section 4 for more information on pensions.

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"

The plan does not define what constitutes full-time hours; this is normally determined through terms and conditions of employment, including individual collective bargaining agreements for specific classes of employees. For pension reporting, the minimum number of hours that can be considered full time in the plan is 36.25 hours per week or 1,885 hours per year for union employees, and 37.5 hours per week or 1,950 hours per year for management, exempt, and medical officer employees.

When full-time hours are defined by an employer for a particular group of employees, that definition must apply to all the employees in that group.

7.3.2.2 Calculating pensionable service

Calculate pensionable service in months for the reporting period using the following methods for regular employees:

$$\frac{\text{Actual number of days or hours worked}}{\text{Maximum/full-time days (260) or hours (1,885) available to work in year}} \times 12 = \# \text{ months of pensionable service}$$

OR

$$\text{Number of days worked} \times 0.04615 = \# \text{ months of pensionable service}$$

EXAMPLE

A full-time member works 435 hours in segment 1 and 1,450 hours in segment 2.

Pensionable service credited for segment 1:
 $435 \div 1,885 \times 12 = 2.7692$ months

Pensionable service credited for segment 2:
 $1,450 \div 1,885 \times 12 = 9.2308$ months

For a total of 12.00 months of pensionable service in the year.

A part-time member works 347 hours in segment 1 and 1,043 hours in segment 2.

Pensionable service credited for segment 1:
 $347 \div 1,885 \times 12 = 2.2090$ months

Pensionable service credited for segment 2:
 $1,043 \div 1,885 \times 12 = 6.6398$ months

For a total of 8.8488 months of pensionable service in the year.

A part-time member works 40 days in segment 1 and 123 days in segment 2.

Pensionable service credited for segment 1:
 $40 \div 260 \times 12 = 1.8461$ months

Pensionable service credited for segment 2:
 $123 \div 260 \times 12 = 5.6769$ months

For a total of 7.523 months of pensionable service in the year.

A part-time member works 10 days in segment 1 and 50 days in segment 2.

Pensionable service credited for segment 1:
 $10 \times 0.04615 = 0.4615$ months

Pensionable service credited for segment 2:
 $50 \times 0.04615 = 2.3075$ months

For a total of 2.769 months of pensionable service in the year.

Use the following method for management, exempt and medical officers:

$$\frac{\text{Actual number of days or hours worked}}{\text{Maximum/full-time days (260) or hours (1,950) available to work in year}} \times 12 = \# \text{ months of pensionable service}$$

EXAMPLE

A full-time member works 450 hours in segment 1 and 1,500 hours in segment 2.

Pensionable service credited for segment 1:

$$450 \div 1,950 \times 12 = 2.7692 \text{ months}$$

Pensionable service credited for segment 2:

$$1,500 \div 1,950 \times 12 = 9.2308 \text{ months}$$

For a total of 12.00 months of pensionable service in the year.

A part-time member works 347 hours in segment 1 and 1,043 hours in segment 2.

Pensionable service credited for segment 1:

$$347 \div 1,950 \times 12 = 2.1353 \text{ months}$$

Pensionable service credited for segment 2:

$$1,043 \div 1,950 \times 12 = 6.4184 \text{ months}$$

For a total of 8.5537 months of pensionable service in the year.

7.3.3 Specific salary and service reporting requirements

7.3.3.1 35-year members

When a plan member has accumulated 35 years of pensionable service, both you and the member stop making contributions. You must continue to report service and salary because this information is used to calculate the member's highest average salary (HAS) for the retirement benefit formula. In the year the member reaches 35 years of pensionable service, you will report two separate lines of data on your payroll report. One line will include salary, service and contributions up to and including the 35-year date; the second line will include only salary and service reported after the 35-year date.

EXAMPLE

How WorkSafeBC Determines 35-year Date

An employee had 34.6138 years of pensionable service as of December 20, 20yy. The member would accrue 0.3862 of a year (4.6344 months) pensionable service effective May 11, 20xx.

$4.6344 \div 0.46 = 10.07$ pay periods (to May 9, 20xx)

$0.46 \times .07 = 0.0322 \div 0.046 = 0.70$ (1 day = May 10, 20xx)

7.3.3.2 Retroactive salary

A member may receive salary retroactively (e.g., a contract settlement, bonus payment, or goal sharing) 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, and that service and salary was not 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 as an arrears (see section 2.2) or ineligible contributions (see section 7.3.4.2).

Reporting retroactive salary

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

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.

EXAMPLE (STANDARD FORMAT)

The member worked full time and was paid \$15,000 in segment up to and including the last pay period with a March pay date, but \$3,000 of the pay was a bonus payment received as retroactive salary for 20yy.

50	111111111	Name1	RG	08GENE	12000.00	2.7692	3	780.00	20xx-01-01	20xx-03-20
50	111111111	Name1	RT	08GENE	3000.00			195.00	20yy-01-01	20yy-12-31

35 year members

If an active member has already accrued 35 years of pensionable service (see sections 7.3.3.5, 7.3.4.1, and 7.8.2 for more details about 35-year members) and receives retroactive salary for a period of time when they were still contributing to the plan, report the additional salary, and deduct contributions. If the retroactive salary is for a period after reaching 35 years, report the salary, but do not deduct contributions.

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, report the retroactive salary and contributions. Client Services will determine if the member's benefit has been paid out and whether or not an amendment is required.

7.3.3.3 Severance pay

When a member receives severance pay, 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, please contact CRA.

If the member does meet the definition of employee as described above, 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 this data, you will need to provide us with an *Amended Employee Information at Termination/Retirement* form showing the new termination date.

7.3.3.4 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.

7.3.4 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*.

The last valuation is available within the Annual Report under Plan Governance on the secured website. Click *About us > Reports*.

Both employer and member contribution rates are subject to change, based on an independent actuarial valuation that is performed at least every three years. For more information, see the plan rules, which are available at worksafe.pensionsbc.ca.

EXAMPLE

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

Contributions on portion of salary up to and including the YMPE:

(20x YMPE, for example, is \$55,300)

$\$55,300 \times 6.50\% = \$3,594.50$

Plus contributions on portion of salary over the YMPE:

$\$4,700 \times 8.00\% = \376.00

Total member-paid contributions = $\$3,594.50 + \$376.00 = \$3,970.50$

7.3.4.1 35 year members

When a plan member has accumulated 35 years of pensionable service, both you and the member stop making contributions.

You must continue to report service and salary because this information is used to calculate the member's highest average salary (HAS) for the retirement benefit formula. Be advised that in the year the member reaches 35 years, you are to report two separate Service Event Records on your payroll report. One Service Event Record will include salary, service and contributions up to and including the 35-year date; the second Service Event Record will include only salary and service reported after the 35-year date. See section 7.3.3.5 for more information on the reporting process for 35-year employees and section 7.8.2 for more information on the process and your role in determining the 35 year date.

7.3.4.2 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 for the prior year, you must contact Client Services at the WorkSafeBC Pension Plan as we will refund those contributions plus interest to you and to the plan member. For current year ineligible contributions, see section 8.4.2.

7.3.4.3 ITA limits on T4s

The WorkSafeBC Pension Plan is registered under the *Income Tax Act* and must report tax-deductible contributions to the plan, within certain maximums, 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

At the end of each segment submit your Payroll Report (Service Event Record) containing member service, salary and contributions data for payrolls paid in that segment. The first payroll report will include the first pay period with a January pay date up to and including the last pay period with a March pay date.

The second payroll report will include the period of time from the first pay period with an April pay date up to and including the last pay period with a December pay date.

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 first segment of the next year. For example, service, salary, and contributions earned from December 13, 20yy to December 27, 20yy, but paid on January 4, 20xx, will be included on the January to March 1 payroll report for 20xx.

Service, salary and contributions earned in March 20xx but paid in April 20xx will be included on the second payroll report of 20xx.

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, and that service and salary 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 as an arrears (see section 2.2) or ineligible contributions (see section 7.3.4.2).

7.4.1 Employee group (for reporting purposes)

Separate employee groups are identified by a specific employee group code.

The employee group is always an eight-character field starting with “08” to indicate it is a plan employee group.

08GENERL—used for all plan members (normal retirement age 65) with the exception of President (see below).

08GEPRES—used for President (normal retirement age 65).

Each member’s 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.” Enter service event types as shown below.

SERVICE EVENT TYPE VALUES	DESCRIPTION (LINK TO SECTIONS)	SERVICE EVENT MUST ONLY INCLUDE
RG	Regular pensionable earnings	Pensionable service Contributory service Pensionable salary Employee contributions
AD	Pensionable earnings from additional positions with same employer. Report only on secondary payroll reports.	Pensionable service Contributory service Pensionable salary Employee contributions
RT	Retroactive earnings	Pensionable salary Employee contributions
RH	Rehabilitation earnings	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 April 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,
- March 31 or December 31 (if you report based on the calendar year), or
- the last day the member contributed in the segment.

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 same date you uploaded on the Employee Information at Termination/Retirement tool

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 Reporting multiple employees' plan member record information through an ad-hoc report

You have the option of submitting multiple employees' information using an ad-hoc report, which provides us with non-payroll report information. To do this, you will need to access our detailed instructions on preparing and submitting reports, available in the Employer Reporting page in the Employer Portal.

To create a report that includes all of the required information, updates members' employment and address information, and reports long-term disability start and stop dates, the following records need to be completed and submitted to us through the Data Submission portlet:

- Person Record
- Address Record
- Employment Record including long-term disability start and stop dates
- Spouse Record (available if reporting using Standard Format only)

Please use the address formatting instructions in the Canadian Addressing Guide, available on the Canada Post website, when reporting addresses for members.

7.5.1.2 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
 - address, city, province, postal code
 - email address
4. Complete the applicable optional fields.

Click Submit. When completing a PMR, remember:

- A hire date is required on the new record. In order for the PMR to be accepted into our system, you need to report the date the member joined this employee group. This should be the same date as the contribution start date.
- In cases where the previous employment group is definitely ending, you must advise us of this through the message board. We need to know that a change of employee group has occurred, the PMR has been submitted and the previous employment end date.

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, Bargaining Association, 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.

7.6 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.

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 35 year employees

When a member is nearing 35 years of pensionable service, we will send you a letter indicating how much service the member has accumulated and a *Maximum 35-Year Limit Record*. It will be up to you to calculate the pensionable service, salary and contributions up to and including the 35-year date.

Once the contribution stop date has been determined, you will complete and return the form. If the member's employment situation has changed, please let us know so we can update our records. Changes can include a change of status from full time to part time, or taking a leave of absence.

If you identify an over-contribution prior to submitting your Payroll Report, you can refund the excess contributions to the member and adjust your next remittance (see section 8).

If you identify an over-contribution after submitting the April to December Payroll Report, do not refund member contributions as ineligible. Notify the plan of the overpayment, providing the member information and the amount of overpaid contributions. We will also need the service, salary and dates for which the overpayment applies. We will refund both the member and employer over-contribution with interest (income tax will be withheld from the member portion).

If a 35-year member receives retroactive pay for a period of time when they were still contributing to the plan, report the additional salary, and deduct contributions. If the retroactive pay is for a period after reaching 35 years, report the salary, but do not deduct contributions.

7.8.3 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 data has not been submitted
- member is on an extended leave of absence
- member is casual and has not worked for one year
- member is on LTD and long term disability information has not been submitted online
- 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 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 December
LTD confirmation reports	January 10
Payroll report(s)	The earlier of April 10 (first segment) or January 10 (second segment), or 10 business days after the last pay period of the reported segment

* You must complete and submit plan member record information electronically within 30 days of enrolment.

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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 monthly basis. The payroll pay date on the *WorkSafeBC Pension Plan Remittance* excel form will be used to determine your payment due date. This date is keyed manually by Payroll. Use separate forms for each month.

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.

8.3 Contribution remittance form

Pensionable earnings—line 1

Report the salary on which contributions were deducted. Salary for employees who have reached 35 years of service should not be included.

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).

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

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 plan rules for more information.

Additional contributions (5.24% of salary)—line 4

NOT USED

Payment of invoiced amounts—line 5

Enter the total amount of all invoices being paid with this remittance. List all invoice numbers in the comment field. Invoices are due within 30 days. Note: Do not include line 3 in line 5.

Adjustments—line 6

Line 6 is used for adjustments or payments as instructed by the plan. Provide details for all adjustments paid.

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.

At the end of the reporting period (your last pay dates in March 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 pension 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.

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.

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 to March 31 and April 1 to 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

Prior year arrears require a POS calculation.

If you discover you have not taken deductions for an employee for a period of service, advise the employee of the arrears situation and begin deducting contributions at once.

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 purchase of service (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.

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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 pension 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 plan members based on the Service Event data you report for the calendar year. This PA amount must be reported to Canada Revenue Agency (CRA) each year.

We will provide you with an electronic file of your members' PA amounts; report the PA amount on your members' T4 slips. Under this option, you are required to report the PA amounts to CRA directly. 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. Under this option, we report this information to CRA, but it is your responsibility to distribute the slips to members (including members who are on LTD, LOA, etc.). When a member has been approved for 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 lifetime pension formula, and the member's total pensionable salary during that year. For a member receiving LTD, the BE is calculated using the salary that you report on the *LTD Start* form, plus cost of living indexing.

Members only receive PAs for service up to the 35-year maximum.

EXAMPLE

Full service reported in year (12 months)

Assume the following for the year 2012 for a full-time plan member:

YMPE = \$50,100

Pensionable service = 12.00

Pensionable salary = \$55,000 (\$4,900 over the YMPE)

$BE = (1.30\% \times \$50,100) + (2\% \times \$4,900) = \$651.30 + \$98.00 =$
 $\$749.30$

$PA = (9 \times BE) - \$600 = (9 \times \$749.30) - \$600 = \$6,143.70$

PA reported = \$6,143

Partial service reported in year (<12 months)

Assume the following for the year 2012:

YMPE = \$50,100

Pensionable service = 6.00 months

Pensionable salary (actual earnings) = \$27,500

Earnings received by members who worked part of a year are annualized to calculate an annualized benefit used in a prorated BE formula:

$Annualized\ earnings = (\$27,500 \div 6) \times 12 = \$55,000$

$Annualized\ benefit = (1.30\% \times \$50,100) + (2\% \times \$4,900) =$
 $\$651.30 + \$98.00 = \$749.30$

$BE = (\$749.30 \times 6) \div 12 = \374.65

$PA = (9 \times BE) - \$600 = (9 \times \$374.65) - \$600 = \$2,771.85$

PA reported = \$2,771

PAs 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 \$55,000 pensionable salary, their RRSP room will be calculated as follows:

$$\text{RRSP room} = (18\% \times \$55,000) - (\$6,143) = \$3,757$$

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

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.

You can also choose to have paper PA statements (T4A slips) produced by the corporation and sent to you for distribution to plan members. For more information, contact worksafebc@pensionsbc.ca.

Employer Report

Along with your PA statements, we provide you with a report listing 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 choose to 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 choose to 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.
- "Reached 35 years service in prior year"
Members who reached 35 years of pensionable service in a prior year will not receive a PA in any following year.
- "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.

Contact Employer Operations to set up your user ID and password, which are necessary to access your file.

- 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 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 T4 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 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.

A PSPA for the purchase of any post-1989 service must be certified (approved) by CRA.

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.

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

Reinstatements

Reinstating a refund for service that occurred after 1989 will result in a PSPA calculation. Members must either have the PSPA certified, or take steps to eliminate or reduce the PSPA to make the purchase. Reinstating service that occurred before 1990 does not create a PSPA calculation and no certification is required.

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, 2000 to October 31, 2001, an APA is calculated if the member purchases the leave period before April 30, 2002. 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 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 plan.

If a member leaves the 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

Your spouse is someone you are married to and have not been separated from for more than two years, or someone you have been living with in a marriage-like relationship for at least two years.

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 WorkSafeBC Pension Plan cannot provide advice about dividing pensions.

For further information, see the website worksafe.pensionsbc.ca.

10.1 Determining the value of the pension

The WorkSafeBC 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*, indicating when they and the plan member started living together, when they were married (if they were married) and when they separated. After the *Form P1* is submitted, the plan will notify the former spouse of any subsequent significant transactions affecting the pension and can release to the former spouse the information necessary for an actuary to calculate the value of the pension. A court order or separation agreement is not required to submit the *Form P1*.

