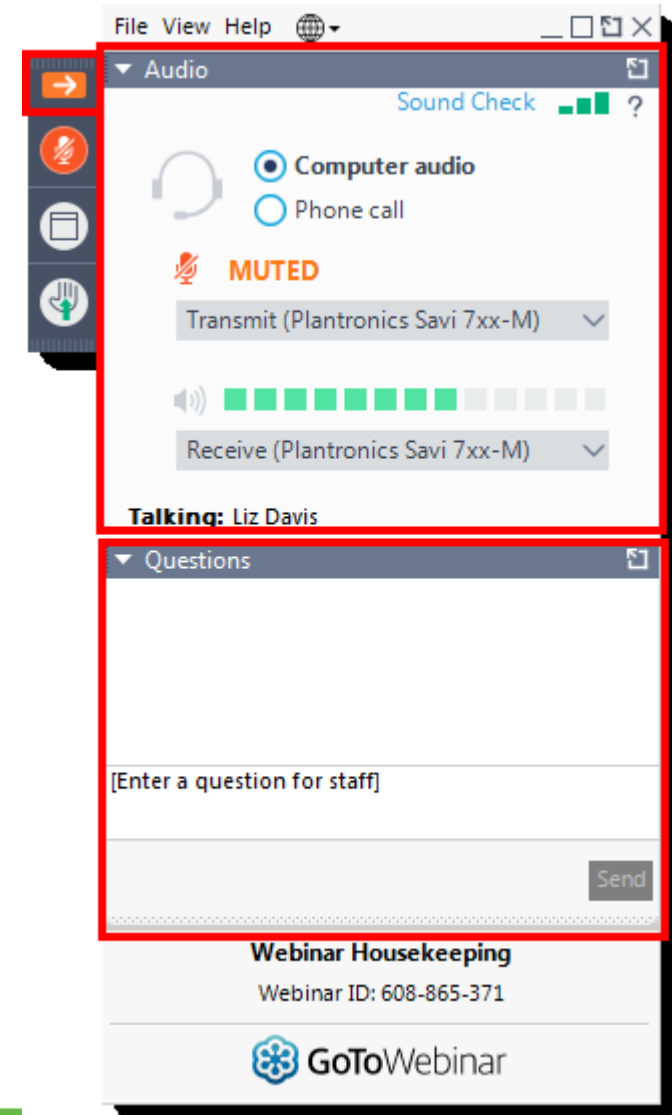# While we wait – audio instructions

1. Select the *Audio* section of the GoToWebinar control panel.

2. Select *Computer audio* or *Phone call*.

3. To submit a question or comment, type it in the Questions panel.

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PENSION PLAN

Employer Education session
Contributions, Earnings, Service, PA
November 7, 2019

Agenda

1. Contribution Remittance Refresher
2. DBprime
   a) Contributory Earnings – Pensionable vs. non Pensionable
   b) Contribution Calculations
   c) Pensionable Service – Review of Calculation
   d) Pension Adjustments
3. DBplus
   a) Earnings and contributions
   b) Pension Adjustments

1

Contribution Remittances
Refresher

Contribution Remittance

- Monthly Current contributions and Pregnancy/Parental (payroll deductions) contributions remittance

- Purchased Service contributions remittance

Contribution Remittance - Monthly

- Monthly Current contributions and Pregnancy/Parental (payroll deductions) contributions remittance:
  - Form No. 34-A: CAAT RPP & CAAT RCA Contribution Remittance Summary
  - Email form to B1K@cibcmellon.com and

    Finance@caatpension.on.ca

  - Contributions are due by the 5th **Ontario** business day of the following month
  - Late penalties subject to 1.5% per month, prorated for partial months

Form No. 34-A

Section 1

Section 2

Contribution Remittance – Purchased Service

- Purchased Service contributions remittance
  - Form No. 14-C: CAAT RPP Remittance Summary-Purchased Service
  - S-Doc this form with related election forms to IPA team at CIBC Mellon

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Contributions Remittance Summary – Purchased Service

1. Employer Identification

Name of Employer

Group No.

Prepared by

Name   Email

Telephone (including area code) and Extension

2. Contributions

Form of Payment

Payment Date (YYYYMMDD)

Total Payment Amount $ -

Contributions Type	Amount	Comments (limited to 30 characters)
Please Select Option		
Please Select Option		
Please Select Option		
Please Select Option		
Please Select Option		
Please Select Option		
Please Select Option		
Please Select Option		
Please Select Option		
Please Select Option		
Please Select Option		
Please Select Option		
Please Select Option		
Please Select Option		
	Additional Comments:	

Send this form with related election forms to IPA team at CIBC Mellon.

Login to S-Doc first then use the following dropbox link to send all attachments to CIBC Mellon a http://sdoc.caatpension.on.ca/filedrop/service-purchase

Alternatively, submit with related election forms by postal mail to the IPA team at CIBC Mellon.

CAAT Pension Plan 250 Yonge Street, Suite 2900 P.O. Box 40, Toronto ON M5B 2L7 Tel 416.673.9000 / 1.866.350.2228 www.caatpension.on.ca

Form 014-C (06-19)

Section 1

Section 2

Contribution Remittance – Where/How to submit

Form name with link to file (each contains CAAT Plan and RCA forms)	Where to send	How to send
Contributions Remittance Summary Form RPP + RCA – Form No. 034-A	CAAT Pension Plan's Finance Department AND CIBC Mellon	As email attachment. Do not include and private member data such as SINs
Purchased Service Remittance RPP – Form No. 014-C RCA – Form No. 020-C	Designated S-Doc link (on the form)	Send via designated S-Doc link with the member election forms / documents

Contribution Remittance – Trustee address

Our Trustee is CIBC Mellon. The mailing address is:

> CIBC Mellon
>
> 1 York Street, Suite 900
>
> Toronto, ON M5J 0B6
>
> Attention: IPA Department 7th Floor
>
> Fax number: 1-888-913-0484

Contribution Remittance – Website

Questions?

Sean McFarland
Finance Administrator 647.837.3203
SMcFarland@caatpension.on.ca

Hans Respall
Accountant 647.837.3016
hrespall@caatpension.on.ca

Maisie Au
Senior Finance Analyst 416.673.4805
mau@caatpension.on.ca

Bozena Glinska
Manager, Finance 416.973.9016
bglinska@caatpension.on.ca

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DBprime
Contributory Earnings

DBprime - Contributory Earnings

What are pensionable earnings vs non-pensionable earnings?

General principles:

- Include regular, predictable, re-earnable pay
- Exclude one-off payments such as overtime

DBprime - Contributory Earnings

- Contributory earnings defined by Plan Text
- Section 2.11 of the Plan Text contains the detailed information

- [Summary chart](#) with examples
- [Plan Text](#)
- [Contributory earnings decision trees](#)

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DBprime
Contributions - Calculation

DBprime - Contribution Calculation

- No changes to rates or methodology in 2020
  - Contribution rates 11.2% up to YMPE, 14.8% above
  - New YMPE for 2020: **$58,700**
  - Spreadsheets to be updated later this month

- Contribution spreadsheets on the CAAT website
  - [Employer Manual, Calculators and spreadsheets section](#)
  - Two FT spreadsheets: biweekly, and semimonthly/monthly
  - Instructions and examples also available

| 🏠 | Members | Retired Members | **Employers** | Investments | Search... 🔍 |

Employers

- Employer News
- Employer Update Sessions
- Employer Education Guide
- Employer Manual
- Service Level Standards
- S-Doc How-to Guide
- Order pension publications

🔒 S-Doc Log in

Getting started
How to use the Employer Manual ▶

New Employer Manual!
We've replaced the Administration manual with a new easy-to-use online resource.

Launch the new Manual ▶

Employer Manual
Training Webinar ▶

📅 Employer News

Join us for an Employer Update - July 25, 2017

Join us for an Employer Education Session - June 8, 2017

Join us for an Employer Education Session - May 4, 2017

More news ▶

📠 Calculators

Contribution spreadsheets can now be found in the Employer Manual. Please update your bookmarks to make sure you always access the latest versions.

Spreadsheets ▶

📝 Forms

All forms can now be accessed directly in the Employer Manual. Please update your bookmarks to make sure you always access the most recent versions of forms.

Forms ▶

EMPLOYER MANUAL

[A resource for CAAT Plan administrators](#)

→

📅 Pension run dates

Looking for the most recent schedule of pension run dates? Find it in the Retirement section of the Employer Manual.

Run dates ▶

🍁 Rates at a glance

You'll continue to find current and historical government of Canada and CAAT Pension Plan annual rates on our website.

Rates ▶

PA Calculator

Contents | **Glossary**

- Welcome
- Getting Started
- Whats New
- Income Tax
- Enrolment
- Contributions, Service and Earnings
- Leaves and Service Purchases
- Transfers
- Disability
- Marriage Breakdown
- Termination
- Working past age 65
- Retirement
- Death
- Member/Non-Member monthly data
- Sponsors' request for data
- Forms
- **Calculators and spreadsheets**
- Attraction & Retention

OTRFT Annualized contributions spreadsheet - FTE by job group (Excel) - November 20, 2017

Instructions and examples - OTRFT FTE by job group (PDF)

Full-time - service and contributions

Annualized Contributions Full-time biweekly spreadsheet (Excel) - November 20, 2017

Instructions - Annualization contributions FT biweekly (PDF)

Annualized Contributions Full-time biweekly spreadsheet - 3,000 rows (Excel) - November 20, 2017

Annualized Contributions FT semi-monthly/monthly (Excel) - November 20, 2017

Instructions - FT semi-monthly/monthly (PDF)

Pensionable Service calculator Full-time (Excel)

Instructions - Pensionable Service calculator (PDF)

Member calculators

3 Step Pension Estimator

The easy way for members to quickly model different pension scenarios in using a minimum of information!

Actuarial Cost Estimator

A do-it-yourself tool for members to calculate the approximate cost of a service purchase under the Open Buyback provision before requesting a formal quote.

DBprime - Contribution Calculation – Full-Time Members

1. Calculate the Pay Period Percentage (PP%)
2. Bring YMPE and RCA Threshold down to pay period
3. Split regular earnings up to/above YMPE and above RCA
4. Calculate contributions on regular earnings (low/high contribution rates)
5. Split lump sum in pay period, if applicable, into portions up to/above YMPE and above RCA
6. Calculate contributions on lump sum
7. Total contributions in pay period (RPP/RCA/Total)

1. Calculate the Pay Period Percentage (PP%)

Member Name	=	(optional)
Member ID/SIN	=	(optional)
Year	=	2019
YMPE	=	$57,400.00
RCA Earnings Threshold	=	$171,368.00
Contribution Rate (% up to YMPE and % above YMPE)	=	11.2% and 14.8%
Pay Period (Pay Frequency)	=	Bi-weekly
Pay Periods in Year	=	26
Employee Group	=	Support (7½ hrs/day) → Payroll Type = Hours
Regular Work Hours in Pay Period	=	75
Total Paid Hours in Year	=	1950 Administration Manual - Contributory Earnings guidelines
Actual Hours Paid in Pay Period	=	239
Actual/Deemed Pensionable Earnings in period - Regular/Non-Lump Sum	=	$77,000.00 (Schedule 1 - include taxable benefits)
One-time Lump Sum Pensionable Earnings paid in this Pay Period	=	$2,500.00 (E.g. Pensionable bonus, Retroactive payment)
Previous Pensionable Lump Sums paid in 2019	=	$0.00 (Contributions ARE NOT calculated on this field – only used to annualize earnings before current lump sum)

Pay Period Contribution Calculation

Step 1: Calculate Pay Period Percentage (PP%)

Pay Period Percentage (PP%) = (Hours Paid) / (Hours in Pay Prd)

(239) / (75) = 318.666667% (A)

Step 2: Calculate YMPE and RCA Threshold in Pay Period

YMPE in Period = (YMPE) / (Pay Prds in Year) x (PP% - A)

($57,400.00) / (26) x (318.666667%) = $7,035.18 (B)

2. Bring YMPE and RCA Threshold down to pay period

Member Name	=	(optional)
Member ID/SIN	=	(optional)
Year	=	2019
YMPE	=	$57,400.00
RCA Earnings Threshold	=	$171,368.00
Contribution Rate (% up to YMPE and % above YMPE)	=	11.2% and 14.8%
Pay Period (Pay Frequency)	=	Bi-weekly
Pay Periods in Year	=	26
Employee Group	=	Support (7½ hrs/day) → Payroll Type = Hours
Regular Work Hours in Pay Period	=	75
Total Paid Hours in Year	=	1950 **Administration Manual - Contributory Earnings guidelines**
Actual Hours Paid in Pay Period	=	239
Actual/Deemed Pensionable Earnings in period - Regular/Non-Lump Sum	=	$77,000.00 *(Schedule 1 - include taxable benefits)*
One-time Lump Sum Pensionable Earnings paid in this Pay Period	=	$2,500.00 *(E.g. Pensionable bonus, Retroactive payment)*
Previous Pensionable Lump Sums paid in 2019	=	$0.00 *(Contributions **ARE NOT** calculated on this field – only used to annualize earnings before current lump sum)*

Pay Period Contribution Calculation

Step 1: Calculate Pay Period Percentage (PP%)

Pay Period Percentage (PP%) = (Hours Paid) / (Hours in Pay Prd)

$$(239) / (75) = 318.666667\% \text{ (A)}$$

Step 2: Calculate YMPE and RCA Threshold in Pay Period

YMPE in Period = (YMPE) / (Pay Prds in Year) x (PP% - A)

$$(\$57,400.00) / (26) \times (318.666667\%) = \$7,035.18 \text{ (B)}$$

RCA Threshold in Period = (RCA earns. thresh.) / (Pay Prds in Year) x (PP% - A)

$$(\$171,368.00) / (26) \times (318.666667\%) = \$21,003.57 \text{ (C)}$$

3. Split regular earnings up to/above YMPE and above RCA

Member Name	=		*(optional)*
Member ID/SIN	=		*(optional)*
Year	=	2019	
YMPE	=	*$57,400.00*	
RCA Earnings Threshold	=	*$171,368.00*	
Contribution Rate (% up to YMPE and % above YMPE)	=	*11.2%* and *14.8%*	
Pay Period (Pay Frequency)	=	Bi-weekly	
Pay Periods in Year	=	26	
Employee Group	=	Support (7½ hrs/day) →	Payroll Type = *Hours*
Regular Work Hours in Pay Period	=	75	
Total Paid Hours in Year	=	1950	**Administration Manual - Contributory Earnings guidelines**
Actual Hours Paid in Pay Period	=	239	
Actual/Deemed Pensionable Earnings in period - Regular/Non-Lump Sum	=	$77,000.00	*(Schedule 1 - include taxable benefits)*
One-time Lump Sum Pensionable Earnings paid in this Pay Period	=	$2,500.00	*(E.g. Pensionable bonus, Retroactive payment)*
Previous Pensionable Lump Sums paid in 2019	=	$0.00	*(Contributions **ARE NOT** calculated on this field – only used to annualize earnings before current lump sum)*

Pay Period Contribution Calculation

Step 3: Split Pensionable Earnings in the Pay Period (Regular/Non-Lump Sum) into components up to and above the YMPE and RCA Earnings Threshold

Earnings in Period up to YMPE = Minimum [(Non-LS Earnings) , (B)]

Minimum [($77,000.00) , ($7,035.18)] = $7,035.18 (D)

Earnings in Period above YMPE = Minimum [(Non-LS Earnings) , (C)] - (D)
(up to RCA Earnings Threshold)

Minimum [($77,000.00) , ($21,003.57)] - ($7,035.18) = $13,968.39 (E)

Earnings in Period above RCA = Maximum [(Non-LS Earnings) - (C) , (zero)]
Earnings Threshold

Maximum [($77,000.00) - ($21,003.57) , $0.00] = $55,996.43 (F)

4. Calculate contributions on regular earnings

Member Name	=	*(optional)*
Member ID/SIN	=	*(optional)*
Year	=	2019
YMPE	=	$57,400.00
RCA Earnings Threshold	=	$171,368.00
Contribution Rate (% up to YMPE and % above YMPE)	=	11.2% and 14.8%
Pay Period (Pay Frequency)	=	Bi-weekly
Pay Periods in Year	=	26
Employee Group	=	Support (7½ hrs/day) → Payroll Type = **Hours**
Regular Work Hours in Pay Period	=	75
Total Paid Hours in Year	=	1950 **Administration Manual - Contributory Earnings guidelines**
Actual Hours Paid in Pay Period	=	239
Actual/Deemed Pensionable Earnings in period - Regular/Non-Lump Sum	=	$77,000.00 *(Schedule 1 - include taxable benefits)*
One-time Lump Sum Pensionable Earnings paid in this Pay Period	=	$2,500.00 *(E.g. Pensionable bonus, Retroactive payment)*
Previous Pensionable Lump Sums paid in 2019	=	$0.00 *(Contributions **ARE NOT** calculated on this field – only used to annualize earnings before current lump sum)*

Pay Period Contribution Calculation

Step 4: Contributions up to and above the YMPE and RCA Threshold

Contributions up to YMPE	=	(% up to YMPE)	x	(D)		
		(11.2%)	x (	$7,035.18)	=	$787.94 (G)
Contributions above YMPE *(up to RCA Earnings Threshold)*	=	(% above YMPE)	x	(E)		
		(14.8%)	x (	$13,968.39)	=	$2,067.32 (H)
Contributions above RCA Earnings Threshold	=	(% above YMPE)	x	(F)		
		(14.8%)	x (	$55,996.43)	=	$8,287.47 (I)

5. Split lump sum in pay period, if applicable, into portions up to/above YMPE and above RCA

Step 5: Split One-time Lump Sum Earnings Paid in this Pay Period (if applicable) into amounts up to and above the YMPE and RCA Earnings Threshold

Annualized Earnings based on Non-Lump Sum Earnings in Period = (Non-LS Earnings) / (PP%) x (Pay Prds in Yr)

($77,000.00) / (318.666667%) x (26) = $628,242.68 (J)

Annualized Earnings prior to Lump Sum Paid in Period (including previous lump sums paid in 2019) = (J) + (Pvs LS paid in 2019)

($628,242.68) + ($0.00) = $628,242.68 (K)

One-time Lump Sum Earnings paid in this Period = = $2,500.00 (L)

(i) One-time Lump Sum Earnings up to YMPE

= Maximum [(zero) , Minimum ((L) , ((YMPE) - (K)))]

Maximum [$0.00 , Minimum (($2,500.00) , (($57,400.00) - ($628,242.68)))] = $0.00 (M)

(ii) One-time Lump Sum Earnings above YMPE (up to RCA Earnings Threshold)

= Maximum [(zero) , Minimum(((L) - (M)) , ((RCA earns. Thresh.) - (K)))]

Maximum [$0.00 , Minimum((($2,500.00) - ($0.00)) , (($171,368.00) - ($628,242.68)))] = $0.00 (N)

(iii) One-time Lump Sum Earnings above the RCA Earnings Threshold

= Maximum [(zero) , ((L) - (M) - (N))]

Maximum [$0.00 , (($2,500.00) - ($0.00) - ($0.00))] = $2,500.00 (O)

6. Calculate contributions on lump sum

Member Name	=	(optional)
Member ID/SIN	=	(optional)
Year	=	2019
YMPE	=	$57,400.00
RCA Earnings Threshold	=	$171,368.00
Contribution Rate (% up to YMPE and % above YMPE)	=	11.2% and 14.8%
Pay Period (Pay Frequency)	=	Bi-weekly
Pay Periods in Year	=	26
Employee Group	=	Support (7½ hrs/day) → Payroll Type = Hours
Regular Work Hours in Pay Period	=	75
Total Paid Hours in Year	=	1950 **Administration Manual - Contributory Earnings guidelines**
Actual Hours Paid in Pay Period	=	239
Actual/Deemed Pensionable Earnings in period - Regular/Non-Lump Sum	=	$77,000.00 *(Schedule 1 - include taxable benefits)*
One-time Lump Sum Pensionable Earnings paid in this Pay Period	=	$2,500.00 *(E.g. Pensionable bonus, Retroactive payment)*
Previous Pensionable Lump Sums paid in 2019	=	$0.00 *(Contributions **ARE NOT** calculated on this field – only used to annualize earnings before current lump sum)*

Pay Period Contribution Calculation

Step 6: Contributions on One-time Lump Sum Earnings Paid in this Pay Period up to and above the YMPE and RCA Earnings Threshold

RPP Contributions up to YMPE = (% up to YMPE) x (M)

(11.2%) x ($0.00) = $0.00 (P)

RPP Contributions above YMPE = (% above YMPE) x (N)

(14.8%) x ($0.00) = $0.00 (Q)

RCA Contributions = (% above YMPE) x (O)

(14.8%) x ($2,500.00) = $370.00 (R)

7. Total contributions in pay period (RPP/RCA/Total)

Member Name	=	(optional)
Member ID/SIN	=	(optional)
Year	=	2019
YMPE	=	$57,400.00
RCA Earnings Threshold	=	$171,368.00
Contribution Rate (% up to YMPE and % above YMPE)	=	11.2% and 14.8%
Pay Period (Pay Frequency)	=	Bi-weekly
Pay Periods in Year	=	26
Employee Group	=	Support (7½ hrs/day) → Payroll Type = **Hours**
Regular Work Hours in Pay Period	=	75
Total Paid Hours in Year	=	1950
Actual Hours Paid in Pay Period	=	239
Actual/Deemed Pensionable Earnings in period - Regular/Non-Lump Sum	=	$77,000.00 *(Schedule 1 - include taxable benefits)*
One-time Lump Sum Pensionable Earnings paid in this Pay Period	=	$2,500.00 *(E.g. Pensionable bonus, Retroactive payment)*
Previous Pensionable Lump Sums paid in 2019	=	$0.00 *(Contributions **ARE NOT** calculated on this field – only used to annualize earnings before current lump sum)*

Administration Manual - Contributory Earnings guidelines

Pay Period Contribution Calculation

Step 7: Total Contributions for Pay Period (Non-Lump Sum and Lump Sum Earnings)

		(G)	+	(H)	+	(P)	+	(Q)		
Total RPP Contributions	=	($787.94)	+ (	$2,067.32)	+ (	$0.00)	+ (	$0.00)	=	**$2,855.26** (S)

		(I)	+	(R)			
Total RCA Contributions	=	($8,287.47)	+ (	$370.00)	*Reminder: Employers contribute 3x Member RCA Contributions*	=	**$8,657.47** (T)

		(S)	+	(T)		
Total RPP and RCA Contributions	=	($2,855.26)	+ (	$8,657.47)	=	**$11,512.73** (U)

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PENSION PLAN

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DBprime
Pensionable Service – Review of Calculations

DBprime - Pensionable Service

- 2019 was based on 261 workdays in the year

- 2020 is based on 262 workdays in the year

- Spreadsheets available on the CAAT website
  - [Employer Manual, Calculators and spreadsheets section](#)
  - FT Spreadsheets

DBprime - Pensionable Service
Full-Time Members

- Calculate full service
  - 1 year, or less if member enrolled or terminated during the year

- Offset with carve-outs
  - Unpaid leaves
  - Full or partial days

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DBprime
Pension Adjustments

DBprime - Pension Adjustments for Employee Type Changes

- 2 pension adjustments would apply ONLY to members who move between DBprime & DBplus in a calendar year

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DBplus
Earnings, contributions & PAs

DBplus - T4 earnings

- DBplus earnings include earnings reported on members T4:
    - Salary and wages including overtime
    - Retroactive payments
    - Vacation pay (pay in lieu or included in hourly rate)
    - Paid Leave of Absences (STD/sick or Maternity and Parental leave)

- **DO NOT** include taxable benefits included as earnings on T4 (professional dues, fitness memberships, tuition subsidy, etc.)

DBplus - Contributions

- Contributions based on total T4 earnings or

- Exclusions:

  - Taxable benefits, perquisites or allowances

- Maximum contributions based on money purchase maximums

  - 2020 = $27,830

    - $13,915 member
    - $13,915 employer

DBplus – Contribution Maximum

- The combined total of member and employer DBplus contributions cannot exceed the year's Money Purchase Limit
  - $27,830 in 2020
- Once total contributions for a member have reached the annual limit, no further contributions should be made for the rest of the year
- Similar to method used for Canada Pension Plan contributions
- Aligns with the Plan Text, any applicable Participation Agreements or Memorandums of Agreement)

Contribution rates

caat | DB*plus*
PENSION PLAN

caat | DB*prime*
PENSION PLAN

9%
of all earnings (T4)

11.2% below YMPE

14.8% above YMPE

of annualized pensionable earnings

Contributions are 100% matched by the employer

DBplus - Contribution calculation - new

- Contribution rate:
  - Flat Rate: 9% of T4 earnings
  - Employer matches employee contributions

| T4 Earnings | X | 9% Contribution rate | X | 2 | = | Total Contributions |

- Contribution maximums:
  - Based on CRA money purchase maximums

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DBplus
Pension Adjustment

DBplus - Pension Adjustment calculation

$$\left(\text{Member Contributions} + \text{Employer Contributions} \right) \times \text{Pension Factor (8.5\%)} \times 9 - \text{Offset (\$300)}$$

DBplus - Pension Adjustment example

$$\left(\$4{,}680 + \$4{,}680 \right) \times \text{Pension Factor (8.5\%)} \times 9 - \text{Offset (\$300)}$$

$$= \$6{,}860 \quad \text{Pension adjustment}$$