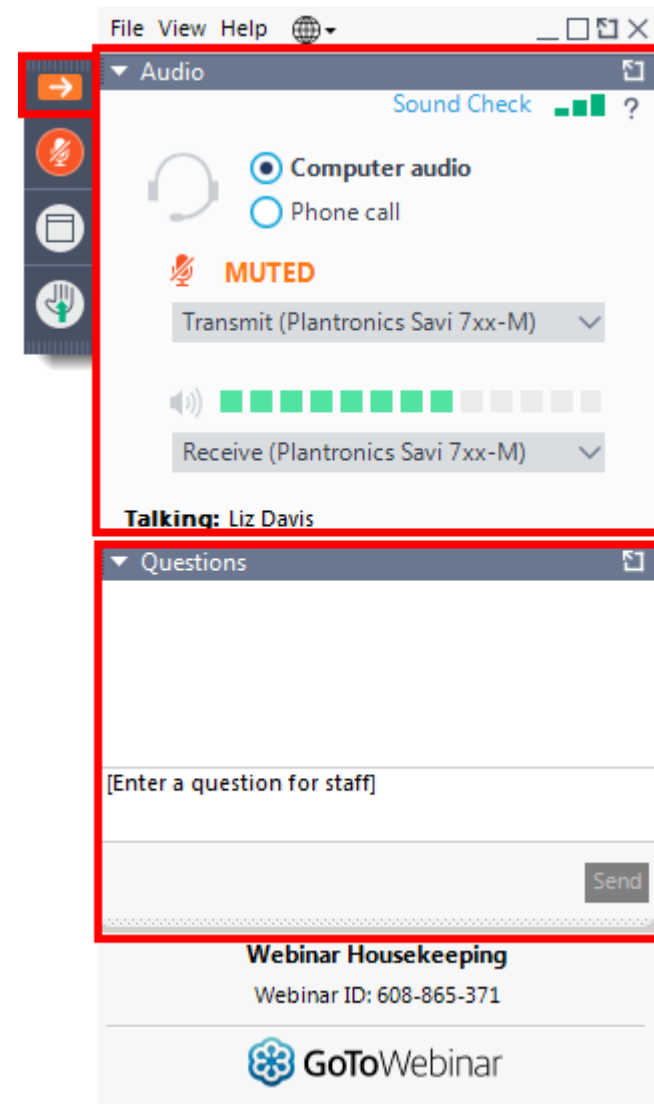


While we wait – audio instructions

1. Select the *Audio* section of the GoToWebinar control panel
2. Select *Computer audio*
3. To submit a question or comment, type it in the Questions panel



Leaves and pension purchases

Employer Education Session

October 7, 2021



Agenda:

1. Breaks in employment
2. Periods of employment before enrolment

A photograph of a diverse group of people's hands stacked in a circle, symbolizing teamwork and support. The image is overlaid with a semi-transparent blue rectangle. A solid green diagonal line runs across the bottom right corner of the blue rectangle.

Breaks in employment

Breaks in Employment

- Eligible leave types
- Roles and responsibilities
- Pension Adjustments (PA) vs Past Service Pension Adjustments (PSPA)

Breaks in employment

Eligible periods

- Statutory leaves including:
 - Pregnancy / parental / adoption (shared cost)
- Unpaid leave of absence
- Grievance and layoff periods

Breaks in employment - leave types and applicable forms

Leave type	Form to be completed
Pregnancy, parental or adoption leave	Leave notification and purchase request within 6 months from end of leave – Pregnancy, Parental or Adoption Leave
Statutory leave	Leave notification and purchase request within 6 months from end of leave (Statutory Leave of Absence)
Unpaid leave of absence	Leave notification and purchase request within 6 months from end of leave, Unpaid Leave of Absence

Breaks in employment - leave types and applicable forms

The screenshot shows a web browser window displaying the CAAT Employer Manual. The URL is https://manual.caatpension.ca/#Z_Forms/Forms.htm?TocPath=___16. The page features the CAAT Pension Plan logo and the title "EMPLOYER MANUAL: A resource for CAAT Plan administrators". A left-hand navigation menu lists various topics, with "Forms" highlighted. The main content area is titled "Leave, Purchase and Transfer forms" and lists several forms. A green rectangular box highlights the following three forms:

- [Leave notification and purchase request within 6 months from end of leave, Unpaid Leave of Absence](#) (updated June 2020)
- [Leave notification and purchase request within 6 months from end of leave, Pregnancy, Parental or Adoption Leave](#) (updated April 2019)
- [Leave notification and purchase request within 6 months from end of leave \(Statutory Leave of Absence\)](#) (updated May 2021)

At the bottom of the page, the text "2017 CAAT Faculty Strike" is visible.

Payroll leaves – Pregnancy/parental leave (statutory leaves)

1. Ongoing payroll deductions or collecting contributions from the member, with contributions remitted to the Plan during the leave, or
 2. Lump sum payment within six months of the end of the leave
- Complete *Leave notification and purchase* form (pregnancy/parental)
 - Leave start date
 - Payroll deductions is assumed unless waiver section is signed

Breaks in employment

Employer responsibilities

- Communicate the option to purchase
- Calculate contribution cost and complete form
- Request pre-authorized T2033 for RRSP purchases

Important note:

- Only statutory leaves may be purchased using cash if purchased within 6 months of return to work

PA vs. PSPA

Pension Adjustment (PA)

- Represents the value of benefits a member earned for the year
- Will reduce the member's RRSP contribution room the following year
- Required if purchase made from January 1 to December 31 for the same calendar year, or Purchase was made from January 1 to April 30 for the previous calendar year

Past Service Pension Adjustment (PSPA)

- Required when a past service event occurs that increases benefits
- Sum of the additional benefits that would have been included in a member's PA if the benefits had been provided in the previous year
- Required if purchase is made between May 1 to December 31 for a period that is in a previous calendar year

Leave notification and purchase request

G Federal tax treatment

If Member chooses to purchase, indicate Pension Adjustment treatment:

Pension Adjustment reported by employer

Or

Purchase chosen after CRA deadline (April 30). The CAAT Plan must request PSPA.

Payment type Cash RRSP

Note: If a PSPA is required, please wait until after the CAAT Pension Plan has confirmed that the PSPA has been approved to send payment.

Leave notification and purchase request

F Leave information for a purchase as a lump sum within six months, OR a combination of a lump sum purchase and payroll deductions

Enter the information about the member's leave. Report the information for each calendar year on a separate line.

NOTE: If information on this leave has been submitted through DCT, do not fill out the information below as the Plan already has the required leave information.

This information is for a purchase request within six months from end of leave only.

Or


This information is for a combination of payroll deductions and a purchase request within six months from end of leave.

Start date	End date	Deemed earnings during leave	Deemed service during leave (complete for DBprime members only)	Member contributions (PRG) – payroll deduction period (if applicable)	Member contributions (PRN) – purchase within six months	Pension Adjustment treatment *			If PSPA is required, indicate payment type		
						PA	or	PSPA	Cash	or	RRSP
		\$		\$	\$	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
		\$		\$	\$	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
		\$		\$	\$	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
		\$		\$	\$	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Total member contribution				\$	\$						
Total employer contribution				\$	\$						

*If a Pension Adjustment is required, this amount is reported by the employer. If the purchase is chosen after the CRA deadline (April 30), the CAAT Plan must request a PSPA. If a PSPA is required, please wait until after the CAAT Pension Plan has confirmed that the PSPA has been approved to send payment.

Payment deadline – payment for this leave must be made by the deadline below (six months from the leave end date).

Purchases for Statutory Leave with cash



1. Employer Identification

Employer name

Group number

Contact

Name	Email
<input type="text"/>	<input type="text"/>

Phone number and extension

2. Contributions

Form of payment

Payment Date (DD-MMM-YYYY)

Total Payment Amount

Purchases	Amount	Comments (limited to 50 characters)
Please select option		
Please select option		
Please select option		
Please select option		
Please select option		
Please select option		

Things to remember

- When reporting leave start and stop dates, please check box on top of the form

<input checked="" type="checkbox"/>	This is a leave start/stop notification: Complete sections A-D for an Unpaid Leave of Absence (including layoff or grievance).
<input type="checkbox"/>	This is a purchase request: Complete sections E-H for the purchase of an Unpaid Leave of Absence within six months of return to work.

- When reporting a purchase request, please check both boxes

<input checked="" type="checkbox"/>	This is a leave start/stop notification: Complete sections A-D for an Unpaid Leave of Absence (including layoff or grievance).
<input checked="" type="checkbox"/>	This is a purchase request: Complete sections E-H for the purchase of an Unpaid Leave of Absence within six months of return to work.



A group of people's hands are stacked in a circle, symbolizing teamwork and collaboration. The hands are of various skin tones and are wearing different colored sleeves. The background is a solid blue color with a green diagonal stripe at the bottom.

Periods of prior employment before enrolment

Periods of prior employment before enrolment

- Eligible purchases
- Timing
- Roles and responsibilities

Periods of prior employment before enrolment

Eligible periods

- Employment with a non-participating employer's Canadian Registered Pension Plan
 - Transfer from former employer's pension plan (Defined Contribution only) or;
 - A former benefit transferred to CAAT via a financial institution
- Periods of employment prior to enrolment
 - CAAT participating employer
 - 100% member cost

Eligible periods for purchases

Purchasing pension under DBplus



Purchases are only permitted for periods of employment on or after January 1, 1991.

1990 1991

Purchasing pension earned in a non-participating employer's DB plan

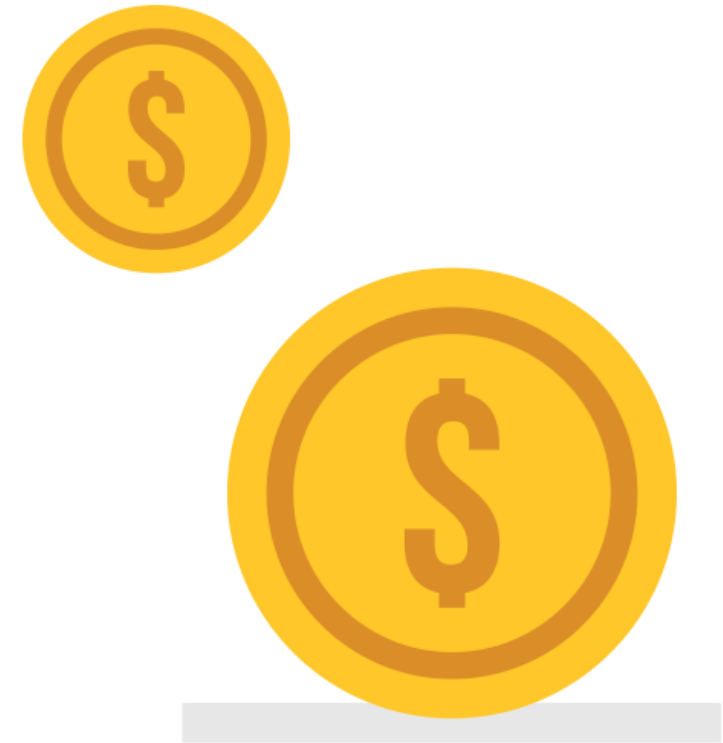


Pension earned in a non-participating employer's Defined Benefit (DB) pension plan is only eligible for purchase for periods on or after January 1, 1992.

1991 1992

Where can funds come from?

- Registered Retirement Savings Plan (RRSP)
 - Personal / Group
- Locked in Retirement Account (LIRA)
- Defined Contribution Plan



Periods of prior employment before enrolment

- Non-vested prior period – contribution refund
- Vested prior period – commuted value payment
- Pregnancy/parental/adoption/statutory leave (after 6 months)
- Unpaid Leave of Absence (LOA) (after 6 months)

Periods of prior employment before enrolment

Employer role

- Direct members to the [Increasing your pension page](#)
 - DBplus Purchase Tool

Why is it important?

- Helps members in decision-making
- Helps members understand the impact of a pension purchase

Periods of prior employment before enrolment

Timing

- The CAAT Plan allows these purchases at any time up to termination or retirement
 - Previous employer's plan may have deadlines
 - Plans registered outside of Ontario may have legislative restrictions
- The member is responsible for the purchase and should ensure they have sent us their completed purchase option forms

Periods of prior employment before enrolment - applicable forms

Purchase Type	Form to be completed
DBplus member – Transfer in of funds related to former employer’s pension plan	DBplus purchase application – Transfer in of funds related to a former employer’s pension plan
DBplus member – Period of employment with a CAAT participating employer	DBplus purchase application – Period of employment with an employer that participates in the CAAT Pension Plan

Costing methodology

- DBplus maximum contribution
 - 18% of Eligible Earnings (up to the Income Tax Act (ITA) max)

Roles and responsibilities

Employer role

- Complete applicable sections of application forms
- Ensure latest forms are used

Periods of prior employment before enrolment

Final steps:

1. CAAT updates member's record when funds are received
2. CAAT sends confirmation letter indicating the amount of pension purchased
3. My Pension will be updated with purchase
4. Annual Statements will have purchased pension reflected if payment is received by the end of November



Summary

Summary of key points

- The 2 categories of purchase calculations:
 1. Breaks in employment - Employer calculated, pertaining largely to leaves within 6 months
 2. Periods of employment before enrolment— e.g., prior pension plan transfer, prior periods with CAAT employer
- Instruct members to use the website tools to estimate the cost of a prior period of employment purchase

Timing - for members terminating or retiring

- Purchases must be started before termination of employment
 - A purchase can be completed during the Extension of Membership (EOM) period, but cannot be initiated during EOM
- Purchases must be completed before retirement option documents can be sent

Summary of key points

- Purchases will be posted to member's record once we receive funds and PSPA approval
- Active members will see any purchases completed up to the end of December on their next annual statement
- Purchases and transfers involve many parties and take time
 - Inform your members to plan ahead to avoid rushing near the end of their career

Additional resources – Employer Manual

The screenshot shows a web browser displaying the CAAT Employer Manual website. The browser's address bar shows the URL: https://manual.caatpension.ca/#G_Leaves and Pension Purchases/Leaves and Pension Purchase front. The page features the CAAT Pension Plan logo and the title 'EMPLOYER MANUAL: A resource for CAAT Plan administrators'. A search bar is located in the top right corner.

The main content area is titled 'Leaves and Pension Purchases'. It includes a breadcrumb trail: 'You are here: Leaves and Pension Purchases'. A blue header bar contains the title 'Leaves and Pension Purchases'. Below this, a green box contains the following text:

[Employer guidelines for non-statutory and statutory leaves of absence \(PDF\) \(applicable for Employers that participate in DBprime and DBplus\)](#)

This document provides a summary of the treatment of leaves and layoffs arising from the ongoing COVID-19 situation.

A member, prior to reaching their termination of employment date, may be eligible to increase their pension by making a pension purchase. This page contains important information on topics related to pension purchases in the Plan. Select the items in the list to view the applicable section.

Note: All purchases are subject to the applicable maximums set out in the *Income Tax Act* (Canada) (ITA).

Employers that participate in DBplus only

Under DBplus, a member may elect to increase their pension by making a pension purchase for a period of eligible employment, including pre-enrolment employment or a leave of absence.

Any pension purchased will continue to grow with conditional AIW enhancement increases.

Periods prior to January 1, 1991 are not eligible for purchase under DBplus.

The left sidebar contains a 'Contents' menu with the following items:

- Welcome
- Getting Started
- What's New
- Income Tax
- Enrolment
- Contributions, Service and Earnings
- Leaves and Pension Purchases**
 - Process
 - Forms and Tools
 - Training Resources
 - Service levels
 - FAQs
- Transfers
- Disability
- Marriage Breakdown
- Termination
- Working past age 65
- Retirement
- Death

Leaves and pension purchases on PAL

- We are working on adding leaves and pension purchases to PAL
- Targeting for Q2 2022 – stay tuned



