



What earnings are pensionable under DBplus?

Under the standard terms of DBplus, Annual Earnings (also commonly referred to as ‘pensionable earnings’), are T4 earnings, excluding benefits, perquisites, or allowances, whether or not such benefits are taxable. CAAT may consider an alternate definition of earnings provided it is compliant with applicable legislation and any collective bargaining agreements.

Further information to help understand what is and is not pensionable under standard DBplus terms when using T4 earnings is set out below. It is the employer’s responsibility to identify Annual Earnings, and to deduct and remit contributions on those earnings.

Examples of payments that are pensionable

Examples of payments that are pensionable include basic salary/wages, retroactive increases in salary/wages, all forms of vacation pay, overtime, double time, shift premiums, lead premiums, sick pay, statutory holiday pay, bonuses, tips, and gratuities (if included on T4).

Examples of payments that are not pensionable

Examples of payments that are not pensionable include lump sum payments in lieu of benefits, service awards, uniform allowances, safety equipment allowances, membership fees, professional dues, course fees, travel expenses, automobile allowances, mileage, parking, fitness memberships, tips, and gratuities (if not included on T4).

Standard DBplus definition from CAAT Pension Plan Text

“Annual Earnings” shall mean all wages, salary, and other amounts received by a Member from an Employer in respect of their employment with that Employer on and after June 1, 2018 as a Design Two Employee¹ or on or after January 1, 2019 as an Other Than Regular Full-time Employee², but excluding:

1. Any employee benefits, perquisites, or allowances, whether or not such benefits, perquisites, or allowances are taxable under the Income Tax Act; and
2. Such amounts as are determined by the Board of Trustees or such amounts as are specified in an Appendix.

¹Design Two refers to the DBplus plan design. A Design Two Employee is a member who participates in DBplus.

²The definition of an Other Than Regular Full-time Employee may include employees on a part-time or contract basis.