

Canadian Baptist Benefits

Employer update 2008

Pension Plan Eligibility Criteria and 2008 YMPE

The Canadian Baptist Pension Plan eligibility rules are in accordance with the provincial earnings/hours minimums in each province after one year of employment. The minimum annual salary for pension plan participation is a percentage of Canada Pension Plan's *Years Maximum Pensionable Earnings* (YMPE) – a value that changes each year. The 2008 YMPE is \$44,900. In some provinces, the minimum for plan participation can be either the salary amount or the number of hours worked. For example, if an employee in Nova Scotia is

earning \$14,000 (a lower amount than 35% of the 2008 YMPE - \$15,715) but works at least 13 hours per week, the employee is eligible to join the Pension Plan.

Remember employers must offer Plan participation to an eligible employee but the employee may decline to join the Plan when it is offered. Once an employee is on the plan, participation continues even if the earnings/hours drop below the minimum for joining.

BUWC	Minimum earnings or hours worked for plan participation
British Columbia	35% of YMPE, \$15,715 salary/year
Alberta	35% of YMPE, \$15,715 salary/year
Saskatchewan	35% of YMPE, \$15,715 salary/year or 700 hours/year (13 hrs/wk)
Manitoba	25% of YMPE, \$11,225 salary/year or 700 hours/year (13 hrs/wk)
CBM, BCOQ, FBU	Minimum earnings or hours worked for plan participation
Ontario	35% of YMPE, \$15,715 salary/year or 700 hours/year (13 hrs/wk)
Quebec	35% of YMPE, \$15,715 salary/year or 700 hours/year (13 hrs/wk)
CABC	Minimum earnings or hours worked for plan participation
New Brunswick	35% of YMPE, \$15,715 salary/year
Nova Scotia	35% of YMPE, \$15,715 salary/year or 700 hours/year (13 hrs/wk)
Prince Edward Island	35% of YMPE, \$15,715 salary/year or 700 hours/year (13 hrs/wk)
Newfoundland/Labrador	35% of YMPE, \$15,715 salary/year

Additional Voluntary Contributions

Contributing pension plan members are able to increase their retirement savings with Additional Voluntary Contributions (AVCs). This may be done through monthly deductions from the member's pay or through a periodic lump sum amount.

Monthly

- AVC transactions are coordinated with the employer's payroll
- The member advises the treasurer/employer how much to withhold each month
- The treasurer/employer deducts the additional pre-determined amount from each pay

Lump sum/periodic

- With employer agreement, the member may make a periodic lump sum payment rather than monthly payroll deductions
- The member provides the treasurer/employer with a letter of direction

NOTE: Additional Voluntary Contributions

1. Employers do not match the Additional Voluntary Contribution amount. This is a plan member contribution only.
2. AVCs must be recorded separately by Sun Life so the treasurer/employer must indicate the AVC amount if remitting electronically.
3. If remitting by cheque, the member makes the cheque payable to Sun Life Financial. Post dated cheques cannot be accepted. Send current dated cheque along with regular member and employer monthly contribution.
4. The treasurer/employer ensures the T4 includes both the regular and additional contributions (Box 20 and Box 52).
5. AVCs impact the yearly contribution limit to retirement savings plans. In total, Plan members are allowed to tax shelter up to 18% of earned income in their Pension Plan and RRSP savings.
6. For more detail, the treasurer/employer should call the Sun Life Sponsor Care Centre at 1-800-387-7262.

Transfers into the Plan

Members are also able to transfer funds from another defined contribution pension plan (DCPP), a Registered Retirement Savings Plan (RRSP) and a Life Income Fund (LIF) into the Canadian Baptist Pension Plan. These transfers are handled directly by the plan member, Sun Life Financial and the financial institutions holding the funds. Interested members should contact Sun Life Financial at 1-866-733-8613 to discuss. More information regarding these types of transfers will be included in the spring issue of the Canadian Baptist Benefits newsletter.

**Termination and Retirement
Group Insurance**

The regional Convention/ Union offices handle the administration of the group benefit plans and must be notified by the plan member or the treasurer/employer of a termination or retirement.

Pension

Sun Life Financial (SLF) administers the pension plan. Sun Life Financial must be notified by the treasurer/employer when a plan member is terminating or retiring.

Termination: Settlement options are not issued until the final pension contribution has been received by Sun Life.

The treasurer/ employer should advise SLF the date of termination and the date SLF can expect the final pension contribution.

Retirement: Plan members are encouraged to contact Sun Life well ahead of their anticipated retirement date to discuss their retirement options and to obtain quotes of their retirement income. Plan members should call the Sun Life Retirement Specialists at 1-866-224-3906.

Once the actual retirement date has been agreed upon by the retiring plan member and employer, the treasurer/employer must officially notify Sun Life. Call the Sponsor Care Centre at 1-800-387-7262.

Important Telephone Numbers

Treasurers/Employers – For all pension inquiries, call the Sponsor Care Centre 1-800-387-7262

Plan Members – For all pension inquiries except retirement, call the Plan Member Care Centre 1-866-733-8613. To discuss retirement and obtain retirement income quotes, call the Sun Life Retirement Specialists 1-866-224-3906

Members and treasurers/employers - For all group benefit matters, call your Convention/Union office

Please file this yearly Update in your Treasurer/Employer Reference Binder