



CHRISTIAN SCHOOLS
INTERNATIONAL

**CANADIAN CHRISTIAN SCHOOL PENSION PLAN
2007 PENSION ADJUSTMENT**

**FOR SCHOOLS THAT CHANGE FROM
THE 3% PLAN TO THE 4% PLAN
(4.5% Contribution Rate to 6%)**

**CANADIAN CHRISTIAN SCHOOL PENSION PLAN
2007 PENSION ADJUSTMENT FORMULA
FOR SCHOOLS THAT CHANGE FROM
THE 3% PLAN TO THE 4% PLAN**

Definition - Covered Earnings - Amounts paid to a participant in calendar year 2007 from which pension contributions were deducted in 2007. It should not include reimbursements, fringe benefit payments or amounts taxable to the employee which are not direct salary or wages. It should include deemed earnings for the period of a qualified maternity or parental leave for which the participant made contributions.

- Step 1. Determine: – 2007 Participant Covered Earnings while in the 3% Plan
– 2007 Participant Covered Earnings while in the 4% Plan
- Step 2. Determine: Compute Pension Earned while in the 3% Plan and while in the 4% Plan
- A. Covered Earnings while in the 3% Plan x .0184 x 0.75
B. Covered Earnings while in the 4% Plan x .0184
- Step 3. Compute Total Pension (A. Plus B. from Step 2.)
- Step 4. Where the participant joins the Plan during 2007, terminates from the Plan during 2007 or works on a less than full-time basis in 2007, the \$600 offset MAY NEED to be prorated. See Exhibits IV and V for examples.
- Step 5. Compute Total Pension Adjustment
Total pension from Step 3. x 9 - \$600 (or prorated amount)
In no event shall the Pension Adjustment be higher than \$19,400 for 2007
- Step 6. Round Pension Adjustment
Round to nearest dollar (not to be less than zero)
- Step 7. T4 Reporting
Report Pension Adjustment from Step 6 on T4 form

**CANADIAN CHRISTIAN SCHOOL PENSION PLAN
2007 PENSION ADJUSTMENT EXAMPLE 1
FOR SCHOOLS THAT CHANGE FROM
THE 3% PLAN TO THE 4% PLAN**

Assume that 2007 Covered Earnings are \$24,000 based on employment from January 1 - August 31, 2007 and are \$13,000 from September 1 - December 31, 2007 and the change to the 4% Plan took place September 1, 2007.

Step 1.	Covered Earnings	= \$24,000	3% Plan
		\$13,000	4% Plan
Step 2.	Pension Earned	A. \$24,000 x .0184 x 0.75 = \$331.20	
		B. \$13,000 x .0184 = \$239.20	
Step 3.	Total Pension	= \$ 331.20	
		<u>+239.20</u>	
		\$ 570.40	
Step 4.	Total Pension Adjustment	= \$570.40 x 9 - \$600	
		= \$4,533.60	
Step 5.	Round	= \$4,534	

**CANADIAN CHRISTIAN SCHOOL PENSION PLAN
2007 PENSION ADJUSTMENT EXAMPLE 2
FOR SCHOOLS THAT CHANGE FROM
THE 3% PLAN TO THE 4% PLAN**

Assume that 2007 Covered Earnings are \$55,000 based on employment from January 1 - August 31, 2007 and \$27,000 from September 1 - December 31, 2007 and the change to the 3% Plan took place September 1, 2007.

Step 1.	Covered Earnings	= \$55,000	3% Plan
		\$27,000	4% Plan
Step 2.	Pension Earned	A. \$55,000 x .0184 x 0.75 = \$759.00	
		B. \$27,000 x .0184 = \$496.80	
Step 3.	Total Pension	= \$ 759.00	
		<u>+496.80</u>	
		\$1,255.80	
Step 4.	Total Pension Adjustment	= \$1,255.80 x 9 - \$600	
		= \$10,702.20	
Step 5.	Round	= \$10,702	

**CANADIAN CHRISTIAN SCHOOL PENSION PLAN
2007 PENSION ADJUSTMENT EXAMPLE 3
FOR SCHOOLS THAT CHANGE FROM
THE 3% PLAN TO THE 4% PLAN**

Assume that 2007 Covered Earnings are \$55,000 based on employment from January 1 - August 31, 2007 and \$14,000 from September 1 – October 31, 2007, the change to the 3% Plan took place September 1, 2007 and the participant terminated October 31, 2007.

Step 1.	Covered Earnings	= \$55,000	3% Plan
		\$14,000	4% Plan
Step 2.	Pension Earned	A. \$55,000 x .0184 x 0.75 = \$759.00	
		B. \$14,000 x .0184 = \$257.60	
Step 3.	Total Pension	= \$ 759.00	
		<u>+257.60</u>	
		\$1,016.60	

Participants who transfer in 2007 to/from a school that participates in the Canadian Christian School Pension Plan will have the \$600 offset prorated.

Step 4a.	Prorating of \$600 offset	= 10 months ÷ 12 months x \$600
		= \$500
Step 5a.	Total Pension Adjustment	= \$1,016.60 x 9 - \$500
		= \$8,649.40
Step 6a.	Round	= \$8,649

If the participant did not participate in the Canadian Christian School Pension Plan at another school in 2007, the \$600 offset will not be prorated.

Step 4b.	Offset	=	= \$600
Step 5b.	Total Pension Adjustment	= \$1,016.60 x 9 - \$600	
		= \$8,549.40	
Step 6b.	Round	= \$8,549	

**CANADIAN CHRISTIAN SCHOOL PENSION PLAN
2007 PENSION ADJUSTMENT EXAMPLE 4
FOR SCHOOLS THAT CHANGE FROM
THE 3% PLAN TO THE 4% PLAN**

Assume that 2007 Covered Earnings are \$16,000 based on employment from January 1 - August 31, 2007 and \$8,000 from September 1 – December 31, 2007, the change to the 4% Plan took place September 1, 2007 and the participant worked the equivalent of 60% of full-time during the entire year.

Step 1.	Covered Earnings	=	\$16,000	3% Plan
			\$8,000	4% Plan
Step 2.	Pension Earned	A.	\$16,000 x .0184 x 0.75 = \$220.80	
		B.	\$8,000 x .0184 = \$147.20	
Step 3.	Total Pension	=	\$ 220.80	
			+147.20	
			<u>\$ 368.00</u>	

Participants who in 2007 also worked at another a school that participates in the Canadian Christian School Pension Plan will have the \$600 offset prorated.

Step 4a.	Prorating of \$600 offset	=	60% x \$600
		=	\$360
Step 5a.	Total Pension Adjustment	=	\$368.00 x 9 - \$360
		=	\$2,952.00
Step 6a.	Round	=	\$2,952

If the participant did not participate in the Canadian Christian School Pension Plan at another school in 2007, the \$600 offset will not be prorated.

Step 4b.	Offset	=	\$600
Step 5b.	Total Pension Adjustment	=	\$368.00 x 9 - \$600
		=	\$2,712.00
Step 6b.	Round	=	\$2,712