



CHRISTIAN SCHOOLS
INTERNATIONAL

Canadian Christian School Pension Plan & Trust Fund

UPDATE

Date: December 13, 2004

To: All Participating School Boards and Principals

• Requirements for Pension Adjustments and Important T4 Slip Reporting Information

From: Howard Van Mersbergen
Executive Secretary-Treasurer

- Canada Customs and Revenue Agency legislation requires each employer participating in the Canadian Christian School Pension Plan to report a Pension Adjustment (PA) for each employee who accrued benefits under the Plan during the previous calendar year. The PA must appear on the participant's T4 slip, and an accompanying report must be filed by the last day of February following the taxation year.
- As in prior years, a modification to Pension Adjustment calculations may need to be made for participants who work less than a full calendar year, including those who join the Pension Plan during the calendar year, those who separate from employment and those who work on less than a fulltime basis. The enclosed exhibits include information on how to determine the Pension Adjustments for these participants.
- Reporting for 2004 is required by February 28, 2005, and is based on the pension accruals for calendar year 2004. The 2004 pension accrual is based on covered earnings paid in calendar year 2004. Accordingly, it is necessary for each participating Board (or its designate) to understand and complete the calculations and record keeping to ensure accurate reporting for 2004. The reported Pension Adjustment will reduce the participant's overall personal RRSP contribution room dollar-for-dollar. It is therefore important that the necessary calculations be completed accurately.
- To assist you in the calculations of PAs, we have enclosed the following exhibits:
 - I. Pension Adjustment Formula for the Canadian Christian School Pension Plan
 - II. Sample calculation 1
 - III. Sample calculation 2
 - IV. Sample calculation 3
 - V. Sample calculation 4

No. 155

(More)

- If you have any employees who received Short Term Disability or Long Term Disability benefits in 2004, include the period of disability in calculating the Pension Adjustment. The rate of earnings at the time of disability, not the amount of disability benefit, should be used in the calculation.
- Please note the following:
 - The \$600 offset in the formula still applies. Participants who transfer to/from a school that participates in the Canadian Christian School Pension Plan will have the \$600 offset prorated. If the participant did not participate in the Plan at another school in 2004, the \$600 offset should not be prorated. Participants who work less than fulltime will receive the full \$600 offset unless they worked at a second school participating in the Plan during 2004. See the exhibits for more information.
 - If a participant terminated employment during 2004 and was not entitled to a vested pension benefit from the Pension Plan (i.e. the participant completed less than 2 years of membership in the Plan), the Pension Adjustment for this participant must still be determined.
- The Canadian Christian School Pension Plan registration number with Canada Customs and Revenue Agency (0283812) must also be printed on the T-4. Instructions as to where to print the PA and the Plan's registration number on the T-4 are included in CCRA's employer's guide that should be available from your local district tax office.
- Since an historical record of Pension Adjustments must be kept, please send our office a listing in February 2005 showing the name, social insurance number and 2004 Pension Adjustment amount for each participant on your 2004 payroll. This information will be used in the future to calculate Pension Adjustment Reversals and to determine if plan design and benefit changes comply with government regulations.