

## **PENSION ELIGIBILITY AND PARTICIPATION RULES** **September 1, 2021 – August 31, 2022**

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1. All full-time employees must participate in the Christian Education Pension Plan (the "Plan") as of the date of their employment, as must all part-time employees with prior service credits, regardless of the number of hours worked. (All supply teachers with credits in the Plan must be enroled.) **The Plan considers full-time employment equal to working 2000 hours in a plan year. The Plan considers part-time employment to be working less than 2000 hours in a plan year.**
2. Employees must be enroled in the Plan at the time they begin a permanent 100 percent full-time contract regardless of whether they are new hires or go from part-time to full-time status.
3. All part-time employees of a participating Christian education organization in Canada who were employed before September 1, 2021, and whose compensation exceeded 35 percent of the year's maximum pensionable earnings (YMPE) in the 2020/2021 Plan Year are eligible to participate in the Plan after one year of employment is completed and must be enroled in the Pension Plan at that time. Thirty-five percent (35%) of YMPE for the Plan Year 2020/2021 was \$21,222.
4. The earnings for employees working in more than one participating school during a Plan Year are combined for the purpose of determining initial Plan eligibility.
5. Once employees participate in the Plan they shall remain in the Plan as long as they are employed by a participating employer. Supply teachers with credits in the Plan must be enroled. If participants terminate employment *and* withdraw their contributions from the Plan, they must meet the Plan's eligibility requirements prior to re-enrolment.
6. Ordained ministers who are eligible to participate in a church-sponsored retirement plan may choose to be excluded from participation in the Plan.
7. An employee who is employed in Manitoba is not required to join the Plan as a condition of employment if he or she so elects and is a student on a substantially full-time basis or is a member of a religious group whose articles of faith forbid membership in the Plan. Such an employee must complete a written waiver of eligibility form.
8. The FTE calculation is based on the percentage of full-time employment each employee is works from September 1 through August 31 and is based on a 2000-hour Plan Year.

## Calculation of Pension Salary and FTE (Full-Time Equivalent)

For all eligible employees, including those hired or terminated during the plan year, both salary and FTE reported to the Plan must be the actual salary and FTE earned/worked during the plan year (September 1 to August 31) so that annualized earnings (calculated by the pension plan) reflect what the employee would have earned if the employee had worked full-time for the entire plan year. The annualized earnings are then used to calculate the final average earnings used in the pension formula.

**Example A:** Andrea works full-time from Sept 1 to Aug 31 and earns \$50,000. She is eligible and must be enrolled as of her date of employment. Report to the pension plan: Salary \$50,000.00, FTE 1.0000.

**Example B:** Bob works full-time from Nov 1 to Aug 31 and earns \$41,665.00. If expected to continue working at the same level for at least 12 months, he is eligible and must be enrolled as of his date of employment. Report to the pension plan: Salary \$41,665.00, FTE 0.8333. Note: His FTE is less than 1.0000 because he didn't work the entire plan year ( $1.0000 / 12 \text{ mos} \times 10 \text{ mos} = 0.8333$ ).

**Example C:** Carol works full-time from Aug 1 to Aug 31 and earns \$4,165. If expected to continue working at the same level for at least 12 months, she is eligible and must be enrolled as of her date of employment. Report to the pension plan: Salary \$4,165.00, FTE 0.0833. Note: Her FTE is less than 1.0000 because she didn't work the entire plan year ( $1.0000 / 12 \text{ mos} \times 1 \text{ mo} = 0.0833$ ).

**Example D:** David works part-time (80%) from Sept 1 to Aug 31 and earns \$40,000. He will be eligible and must be enrolled after completing one year of service if his compensation exceeded 35% of the YMPE in the prior plan year. If David met eligibility in a prior year, report to the pension plan: Salary \$40,000.00, FTE 0.8000.

**Example E:** Ellen works part-time (60%) from Sept 1 to Jun 30 and earns \$25,000. She will be eligible and must be enrolled after completing one year of service if her compensation exceeded 35% of the YMPE in the prior plan year. If Ellen met eligibility in a prior year, report to the pension plan: Salary \$25,000.00, FTE 0.5000. Note: Her FTE is less than 0.6000 because she didn't work the entire plan year ( $0.6000 / 12 \text{ mos} \times 10 \text{ mos} = 0.5000$ ).

**Example F:** Fred works on an hourly basis as a supply teacher and sometimes as a bus driver. For this example, he worked 843 hours and earned \$21,075.00 and was previously enrolled in the pension plan. Report to the pension plan: Salary \$21,075.00, FTE 0.4215. Note: His FTE is calculated by dividing his total hours by 2,000 ( $843 \text{ hours} / 2,000 = 0.4215$ ).

## Retirees Returning to Work

If an individual who is receiving a pension from the Plan provides services for compensation to a school that participates in the Plan that exceeds the limits allowed by the Plan, he or she is considered a re-employed pensioner and is subject to the Plan's provisions concerning suspension of benefit payments. This only applies *if a participant started collecting their benefit before age 65*. This applies whether the person is employed by the school, self-employed, or hired through a third party such as a personal service corporation. Contact the Plan for more information.

## Definition of Annual Compensation

Compensation means amounts paid to an employee by the employer, in cash or cash equivalent, for personal services, which must be reported on Income Tax form T-4. For purpose of the Plan, the term does not include any amounts paid to an employee on a deferred basis and reported on Income Tax form T-4 that, pursuant to the Income Tax Act, should have been reported on an Income Tax form T-4 in respect of the employee in a previous year. The term includes, if the employee is no longer rendering active service, amounts paid to the employee in the form of a salary continuance prior to Termination of Employment, and amounts payable, at Termination of Employment, in respect of the minimum statutory notice period as required under the Employment Standards Act (Ontario) or such other applicable provincial employment standards legislation that requires a continuation of pension benefits during a minimum statutory notice period. For further clarity, the term does not include reimbursements, fringe benefit payments, ad-hoc payments or other amounts taxable to the employee that are not salary or wages.