



Christian Education

PENSION PLAN

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UPDATE 214

Date: December 1, 2022

To: All Participating School Boards and Principals

From: Howard Van Mersbergen, Executive Secretary-Treasurer

In Brief

- **Pension Adjustments** — Pension adjustments and important T4 slip reporting information
- **Questions** – Contact us if you have questions or need assistance

The Details

Pension Adjustments

Canada Revenue Agency (CRA) legislation requires each employer participating in the Christian Education Pension Plan (formerly known as “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 is required for participants who worked for more than one participating employer during the year.

Reporting for 2022 is required by February 28, 2023, and is based on the pension accruals for calendar year 2022. The 2022 pension accrual is based on covered earnings paid in calendar year 2022. Accordingly, it is necessary for each participating employer to understand and complete the calculations and recordkeeping to ensure accurate reporting for 2022. The reported Pension Adjustment will reduce the participant’s overall personal Registered Retirement Savings Plan (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 posted detailed instructions on our website: www.christianeducationbenefitsolutions.org . From the website select Menu, then My Resources, and refine your results by selecting Resource Type: Updates and Category: Pension. Selecting the link for Update 214 will allow you to view the update and detailed instructions for each contribution level. The instructions include the Pension Adjustment Formula for the Christian Education Pension Plan and Sample Calculations 1-4 for each of the Contribution Plans (i.e. 5.55% Plan; 7% Plan; 8.05% Plan) and for mid-calendar-year plan changes (i.e. from the 5.55% Plan to the 7% Plan and from the 7% Plan to the 8.05% Plan).



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If you have any employees who received Short-Term Disability or Long-Term Disability benefits in 2022, include the period of disability in calculating the Pension Adjustment. It is important in the calculation to include the amount the employee would have earned if they had not been on disability. Note: Do not include the period of disability if your school is not in the Christian Education Health Plan and your school did not elect to continue pension contributions for an employee on disability.

If you have any employees who were on Prescribed Statutory Leave (including maternity leave) during 2022 *and* elected to continue to make pension contributions during their leave, include the period of leave in calculating the Pension Adjustment. It is important in the calculation to include the amount the employee would have earned if they had not been on leave. Note: Do not include the period of leave if the participant on leave did not elect to continue pension contributions while on leave.

Please note the following:

- The \$600 offset in the formula still applies. Participants who transfer to/from an employer that participates in the Christian Education Pension Plan will have the \$600 offset prorated. If the participant did not participate in the Plan with another employer in 2022, the \$600 offset should not be prorated. Participants who work less than full-time will receive the full \$600 offset unless they worked for another employer participating in the Plan during 2022. See the detailed instruction for examples and additional information.
- If a participant terminated employment during 2022, the Pension Adjustment for this participant must still be determined.
- **In no event shall the Pension Adjustment reported be higher than \$30,180 for 2022.**
- The Christian Education Pension Plan registration number with Canada Revenue Agency (0283812) must be printed on the T-4. Instructions regarding where to print the PA and the plan's registration number on the T-4 are included in CRA's employer's guide which should be available from your local district tax office.
- Since an historical record of Pension Adjustments must be kept, please send a summary to our office by February 28, 2023, listing the name, social insurance number and 2022 Pension Adjustment amount for each participant on your 2022 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.

Questions?

More information about our benefit plans and past Updates are located on our website at www.christianeducationbenefitsolutions.org. As always, if you have questions, please contact Brenda Addie at 877-274-8796, ext. 231 or 616-284-3231, or by e-mail at Brenda.Addie@cebteam.org.