

FOR SCHOOLS WITH THE 5.55% PLAN

**CHRISTIAN EDUCATION PENSION PLAN
2022 PENSION ADJUSTMENT FORMULA
FOR SCHOOLS WITH THE 5.55% PLAN**

Definition - Covered Earnings - Amounts paid to a participant in calendar year 2022 from which pension contributions were deducted. It should not include reimbursements, fringe benefit payments or amounts taxable to the employee that 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: – 2022 Participant Covered Earnings while in the 5.55% Plan

Step 2. Compute Pension Earned while in the 5.55% Plan

– Covered Earnings while in the 5.55% Plan x .0190 x 0.69

Step 3. Where the participant joins the Plan during 2022, terminates from the Plan during 2022 or works on a less than full-time basis in 2022, the \$600 offset MAY NEED TO be prorated. See Exhibits IV and V for examples.

Step 4. Compute Total Pension Adjustment
Total pension from Step 2. x 9 - \$600 (or prorated amount)
In no event shall the Pension Adjustment be higher than \$30,180 for 2022.

Step 5. Round Pension Adjustment
Round to nearest dollar (not to be less than zero)

Step 6. T4 Reporting
Report Pension Adjustment from Step 5. on T4 form

**CHRISTIAN EDUCATION PENSION PLAN
2022 PENSION ADJUSTMENT EXAMPLE 1
FOR SCHOOLS WITH THE 5.55% PLAN**

Assume that 2022 Covered Earnings are \$37,000 based on employment from January 1 - December 31, 2022.

Step 1.	Covered Earnings	= \$37,000	5.55% Plan
Step 2.	Pension Earned	= \$37,000 x .0190 x 0.69	= \$485.07
Step 3.	Total Pension Adjustment	= \$485.07 x 9 - \$600	= \$3,765.63
Step 4.	Round	= \$3,766	

**CHRISTIAN EDUCATION PENSION PLAN
2022 PENSION ADJUSTMENT EXAMPLE 2
FOR SCHOOLS WITH THE 5.55% PLAN**

Assume that 2022 Covered Earnings are \$82,000 based on employment from January 1 - December 31, 2022.

Step 1.	Covered Earnings	= \$82,000	5.55% Plan
Step 2.	Pension Earned	= \$82,000 x .0190 x 0.69	= \$1,075.02
Step 3.	Total Pension Adjustment	= \$1,075.02 x 9 - \$600	= \$9,075.18
Step 4.	Round	= \$9,075	

**CHRISTIAN EDUCATION PENSION PLAN
2022 PENSION ADJUSTMENT EXAMPLE 3
FOR SCHOOLS WITH THE 5.55% PLAN**

Assume that 2022 Covered Earnings are \$69,000 based on employment from January 1 - October 31, 2022 and the participant terminated employment on October 31, 2022.

Step 1.	Covered Earnings	= \$69,000	5.55% Plan
Step 2.	Pension Earned	= \$69,000 x .0190 x 0.69 = \$904.59	

Participants who transfer in 2022 to/from a school that participates in the Christian Education Pension Plan will have the \$600 offset prorated.

Step 3a.	Prorating of \$600 offset	= 10 months ÷ 12 months x \$600 = \$500
Step 4a.	Total Pension Adjustment	= \$904.59 x 9 - \$500 = \$7,641.31
Step 5a.	Round	= \$7,641

If the participant did not participate in the Christian Education Pension Plan at another school in 2022, the \$600 offset will not be prorated.

Step 3b.	Offset	= \$600
Step 4b.	Total Pension Adjustment	= \$904.59 x 9 - \$600 = \$7,541.31
Step 5b.	Round	= \$7,541

**CHRISTIAN EDUCATION PENSION PLAN
2022 PENSION ADJUSTMENT EXAMPLE 4
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Assume that 2022 Covered Earnings are \$24,000 based on employment from January 1 - December 31, 2022 and the participant worked the equivalent of 60% of full-time during the entire year.

Step 1. Covered Earnings = \$24,000 5.55% Plan

Step 2. Pension Earned = $\$24,000 \times .0190 \times 0.69 = \314.64

Participants who in 2022 also worked at another school that participates in the Christian Education Pension Plan will have the \$600 offset prorated.

Step 3a. Prorating of \$600 offset = $60\% \times \$600$
= \$360

Step 4a. Total Pension Adjustment = $\$314.64 \times 9 - \360
= \$2,471.76

Step 5a. Round = \$2,472

If the participant did not participate in the Christian Education Pension Plan at another school in 2022, the \$600 offset will not be prorated.

Step 3b. Offset = \$600

Step 4b. Total Pension Adjustment = $\$314.64 \times 9 - \600
= \$2,231.76

Step 5b. Round = \$2,232