

**FOR SCHOOLS THAT CHANGE FROM THE  
7% PLAN TO THE 8.05% PLAN**

**CHRISTIAN EDUCATION PENSION PLAN  
2022 PENSION ADJUSTMENT FORMULA  
FOR SCHOOLS THAT CHANGE FROM  
THE 7% PLAN TO THE 8.05% PLAN**

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*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 7% Plan  
– 2022 Participant Covered Earnings while in the 8.05% Plan
- Step 2. Compute Pension Earned while in the 7% Plan and while in the 8.05% Plan
- A. Covered Earnings while in the 7% Plan x .0190 x 0.87  
B. Covered Earnings while in the 8.05% Plan x .0190
- Step 3. Compute Total Pension (A. Plus B. from Step 2.)
- Step 4. 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 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 \$30,180 for 2022.**
- 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

**CHRISTIAN EDUCATION PENSION PLAN  
2022 PENSION ADJUSTMENT EXAMPLE 1  
FOR SCHOOLS THAT CHANGE FROM  
THE 7% PLAN TO THE 8.05% PLAN**

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Assume that 2022 Covered Earnings are \$24,000 based on employment from January 1 - August 31, 2022 and are \$13,000 from September 1 - December 31, 2022 and the change to the 8.05% Plan took place September 1, 2022.

Step 1.	Covered Earnings	= \$24,000	7% Plan
		\$13,000	8.05% Plan
Step 2.	Pension Earned	A. \$24,000 x .0190 x 0.87 = \$396.72	
		B. \$13,000 x .0190 = \$247.00	
Step 3.	Total Pension	= \$396.72	
		+247.00	
		<u>\$643.72</u>	
Step 4.	Total Pension Adjustment	= \$643.72 x 9 - \$600 = \$5,193.48	
Step 5.	Round	= \$5,193	

**CHRISTIAN EDUCATION PENSION PLAN  
2022 PENSION ADJUSTMENT EXAMPLE 2  
FOR SCHOOLS THAT CHANGE FROM  
THE 7% PLAN TO THE 8.05% PLAN**

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Assume that 2022 Covered Earnings are \$55,000 based on employment from January 1 - August 31, 2022 and \$27,000 from September 1 - December 31, 2022 and the change to the 8.05% Plan took place September 1, 2022.

Step 1.	Covered Earnings	=	\$55,000	7% Plan
			\$27,000	8.05% Plan
Step 2.	Pension Earned	A.	\$55,000 x .0190 x 0.87 = \$909.15	
		B.	\$27,000 x .0190 = \$513.00	
Step 3.	Total Pension	=	\$909.15	
			<u>+513.00</u>	
			\$1,422.15	
Step 4.	Total Pension Adjustment	=	\$1,422.15 x 9 - \$600	
		=	\$12,199.35	
Step 5.	Round	=	\$12,199	

**CHRISTIAN EDUCATION PENSION PLAN  
2022 PENSION ADJUSTMENT EXAMPLE 3  
FOR SCHOOLS THAT CHANGE FROM  
THE 7% PLAN TO THE 8.05% PLAN**

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Assume that 2022 Covered Earnings are \$55,000 based on employment from January 1 - August 31, 2022 and \$14,000 from September 1 – October 31, 2022, the change to the 8.05% Plan took place September 1, 2022 and the participant terminated employment on October 31, 2022.

Step 1.	Covered Earnings	= \$55,000	7% Plan
		\$14,000	8.05% Plan
Step 2.	Pension Earned	A. \$55,000 x .0190 x 0.87 = \$909.15	
		B. \$14,000 x .0190 = \$266.00	
Step 3.	Total Pension	= \$909.15	
		+266.00	
		<u>\$1,175.15</u>	

**Participants who transfer in 2022 to/from a school that participates in the Christian Education 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	= \$1,175.15 x 9 - \$500
		= \$10,076.35
Step 6a.	Round	= \$10,076

**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 4b.	Offset	= \$600
Step 5b.	Total Pension Adjustment	= \$1,175.15 x 9 - \$600
		= \$9,976.35
Step 6b.	Round	= \$9,976

**CHRISTIAN EDUCATION PENSION PLAN  
2022 PENSION ADJUSTMENT EXAMPLE 4  
FOR SCHOOLS THAT CHANGE FROM  
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Assume that 2022 Covered Earnings are \$16,000 based on employment from January 1 - August 31, 2022 and \$8,000 from September 1 – December 31, 2022, the change to the 8.05% Plan took place September 1, 2022 and the participant worked the equivalent of 60% of full-time during the entire year.

Step 1.	Covered Earnings	=	\$16,000	7% Plan
			\$8,000	8.05% Plan
Step 2.	Pension Earned	A.	\$16,000 x .0190 x 0.87 = \$264.48	
		B.	\$8,000 x .0190 = \$152.00	
Step 3.	Total Pension	=	\$264.48	
			<u>+152.00</u>	
			\$416.48	

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

Step 4a.	Prorating of \$600 offset	=	60% x \$600
		=	\$360
Step 5a.	Total Pension Adjustment	=	\$416.48 x 9 - \$360
		=	\$3,388.32
Step 6a.	Round	=	\$3,388

**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 4b.	Offset	=	\$600
Step 5b.	Total Pension Adjustment	=	\$416.48 x 9 - \$600
		=	\$3,148.32
Step 6b.	Round	=	\$3,148