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7 REPORTING

7.1 Introduction

As a plan employer, you report members' service, salary and contributions to us annually, and this information is used to determine members' benefit entitlements. When payroll reporting does not match previously submitted payroll information (e.g., in the event of a termination or retirement), we will contact you. See the applicable sections of this manual for reporting details on enrolment, purchases, termination or retirement.

You and your plan member employees make contributions to the Teachers' Pension Plan based on your members' pensionable salary. Members' retirement benefits are calculated based on their accrued pensionable service and highest average pensionable salary. The information you report is also used to calculate annual member pension adjustments (PAs), and to generate annual member's benefit statements. See section 9 for more information on PAs.

This section will answer questions you have about how to report Plan Member Record information, service events (service, salary and contributions), along with variances, types of service and methods for submitting your reports. See section 6 for what to do when members are on LTD, and how to correct previously-posted data.

7.2 Web services

The plan provides members and employers with self-serve information via the member and employer websites. The employer website is also the access point to the Employer Portal.

The secure employer website contains links to training information, the *Employer Instruction Manual*, employer news and newsletters, and forms. Employer reporting is done through the Employer Portal.

The Employer Portal provides access to reporting tools, reporting instructions, E-Remittance and User Management, and allows you to view salary and service for your plan member employees. Access to both the secure employer website and Employer Portal requires registration. See the Web Services section on the employer website sign-in page, accessed from from pensionsbc.ca.

7.2.1 Resources available on the Employer Portal

The Employer Portal is where you will find detailed instructions about employer reporting. You will also be able to access the tools used to report plan member information to Employer Operations. These tools can be accessed via the navigation menu at the top of the Employer Portal home page: Message Board, Plan Member Record Electronic Form, Data Submission, File Pick-up, Reporting Instructions, LTD Start/Stop, LTD Policy Validation, and Employee information at Retirement (EITR).

7.2.1.1 Message Board

Message Board allows you to communicate securely with Employer Operations. The message board is used exclusively by employers and Employer Operations staff for the purposes of employer reporting. The message board is a secure, central location to access your correspondence regarding confidential data about employer reporting. If you have existing employees that are not contributing, you can also use this tool to check if they are contributing.

7.2.1.2 Plan Member Record Electronic Form

Service, salary, and contributions cannot be allocated to a member who has not been enrolled via a PMR.

In the Plan Member Record (PMR) Electronic Form tool, you can complete and submit your PMRs and view the history of the PMRs you have submitted. If you have existing employees that are not contributing, you can also use the Plan Member Record/Member Validation tool to check if they are contributing. You can also use this tool to check if existing employees are or should be enrolled.

7.2.1.3 Data Submission

The Data Submission tool is a secure environment where employers submit plan members' personal, address, spousal, employment and service event (contribution, service and salary) data. Data files are accepted in Excel or standard format, and instant feedback is provided on any formatting errors. You can also view the history of the files you've submitted in the submission history section.

7.2.1.4 File Pick-up

Employer Operations places files in File Pick-up for you to download. For example, your electronic Pension Adjustment file would be available in File Pick-up for you to download.

7.2.1.5 Reporting instructions

On the Reporting instructions page you will find detailed instructions on how to format your data files, including written instructions about both Excel and standard format reporting.

7.2.1.6 LTD Start/Stop

Use this tool to report an employee's LTD Start/Stop information once you receive confirmation from an approved LTD carrier or administrator.

7.2.1.7 LTD Policy Validation

This tool allows employers to access their list of open, approved LTD policies and validate each policy.

7.2.1.8 Employee Information at Termination/Retirement (EITR)

Use the Employee Information at Termination/Retirement tool to enter the termination date and final service, salary, and contributions for members who are terminating employment or retiring.

The EITR Submitted Report allows you to track your submitted EITRs and reconcile data on your payroll report.

7.3 Payroll reporting

Your payroll report is due 10 calendar days after the end of your pay period. This gives us time to process the data and contact you regarding any errors. The information in your report is used to calculate and produce your members' Pension Adjustments (PA) by the end of February.

7.3.1 Pensionable salary inclusions and exclusions

Pensionable salary is the portion of a member's salary used to calculate pension contributions and retirement benefits. It is made up of the base salary received by a plan member, plus plan-specified inclusions (listed below).

Do not report salary that is non-pensionable or was earned prior to the member commencing contributions to the plan.

The following lists may not cover all types of compensation paid to your employees. Contact the plan if you have a question about whether a type of salary paid is pensionable or non-pensionable.

Inclusions

A member's salary includes the following types of pay:

- administrative, supervisory, or special qualification allowances as follows:
 - allowances paid to a school or district administrator, department head, teacher consultant, head teacher, special counselor or teacher-in-charge.
 - allowances paid to teachers who are employed to advise and assist teachers.
 - allowances paid to special class teachers such as those employed to teach children with disabilities and non-English speaking children.
 - allowances paid to relief teachers where there are unsettled working conditions.
 - allowances paid to teachers for performing the duties of:
 - ▶ a principal, vice-principal, department head, or head teacher,
 - ▶ a director or supervisor, or
 - ▶ a school librarian.

- an allowance paid by the British Columbia Teachers' Federation to the officers of the British Columbia Teachers' Federation.
- Salary Indemnity Plan (SIP) allowance.
- an isolation bonus.
- maternity leave top-up, parental leave top-up and other forms of salary top-up paid by the employer to a plan member who is on a leave of absence provided for under the *Employment Standards Act*.
- workers compensation benefit (WorkSafeBC) payments made through the employer payroll, unless paid during a period when the member is receiving SIP or benefits under an LTD plan.
- WorkSafeBC and LTD top-up payments made through the employer payroll (paid to employees to top-up their salaries when receiving WorkSafeBC or benefits under an LTD plan).
- salary as a result of a grievance settlement if a period of service is associated with the payment.
- the difference between the member's normal salary and the salary paid to a teacher on call (TOC) is pensionable salary of the member if the member paid a TOC for work performed in the member's absence.
- salary earned while employed in summer school, night school, continuing education or adult education if the position is included in the bargaining unit; if that position is not included in the bargaining unit, salary is pensionable only if the position requires a certified teacher.
- payment for preparation time.
- vacation pay where a period of service is associated with the payment.
- severance pay where a period of service is associated with the payment.
- retiring allowance where a period of service is associated with the payment.
- first aid allowance.

Exclusions

A member's salary does not include the following types of pay:

- overtime pay.
- payments made in lieu of vacation (i.e., an employee is paid a lump sum or recurring amount for vacation not taken and there is no period of service associated with the payment).
- lump sum payments for educational or academic bonuses.
- severance pay if no period of service is associated with the payment.
- retiring allowance if no period of service is associated with the payment.
- payments made in lieu of benefits.
- salary as a result of a grievance settlement if no period of service is associated with the payment.
- honoraria.
- contract work.
- car, meal, travel and clothing allowances.
- incentive pay.

For the purposes of this section, a payment is associated with a period of service if the member was employed during the period the payment covers.

7.3.2 Pensionable and contributory service

There are two types of pension plan service used in the plan:

- pensionable service, and
- contributory service.

Pensionable service is the actual time worked while contributing to the plan. It is used when determining the amount of the retirement benefit. As of January 1, 2018, the 35 year pensionable service cap no longer exists.

Contributory service is the period of a member's service for which contributions were made by the member or employer. Contributory service is reported as whole months only. If a contribution is made in a month, a whole month of contributory service is reported. It is used to determine the member's eligibility for a retirement benefit, and any early

retirement reduction. See section 4 for more information on retirement benefits.

There are some circumstances where the member may not be working but still accrues pensionable and contributory service (for example, a paid leave of absence).

7.3.2.1 Defining full time

The plan does not define what constitutes full-time hours.

The *School Amendment Act, 2012* established a new legislative framework for school calendars. Beginning with the 2013–14 school year, there is no standard calendar and each school board will establish calendars for school within its district.

The *School Act* and the new School Calendar Regulation set out the requirements for board-established school calendars. Section 3 of the Regulation also sets a minimum number of hours of instruction that boards must offer to students during the school year.

7.3.2.2 Calculating pensionable service

Pensionable service is the actual time worked during a given reporting period. For all eligible employees, excluding TOCs, it is based on the total pensionable salary earned in relation to the member's full-time equivalent (FTE) pensionable salary.

For example, a full-time (i.e., 100 per cent) employee will receive 10 (12) months of pensionable service during a reporting period (January to December). A part-time employee who works at 50 per cent will receive five (six) months of pensionable service.

A teacher could earn more than one month of pensionable service in a month. If a full-time teacher works for a full month and also teaches a night school or summer school course, you must still report the full amount of service even if it exceeds the maximum (see section 1.1.7 for concurrent employment).

You should calculate pensionable service for summer and/or night school earnings on the basis of pensionable salary earned in relation to the FTE pensionable salary.

Pensionable service is calculated by dividing the pensionable salary earned by the full-time equivalent pensionable salary. This is multiplied by 10 (12) for the reporting period.

$$\frac{\text{Pensionable salary earned}}{\text{FTE pensionable salary}} \times 10 (12) = \text{pensionable service}$$

This calculation method applies to full-time teachers and part-time teachers. It also applies to the calculation of summer and/or night school earnings.

Pensionable service for TOCs is calculated by dividing the total days paid by full-time days available to work in the school year, as defined by the respective school district. This is multiplied by 10 for the reporting period.

$$\frac{\text{Days paid}}{\text{School district prescribed full-time days}} \times 10 (12) = \text{pensionable service}$$

A teacher will have their pensionable service reduced for each day they are absent without pay during the reporting period.

EXAMPLE A

Full time (1.0 FTE) pensionable salary is based on receiving the base annual salary scale (Teachers' salary grid) as defined by the salary grid in the applicable collective agreement.

Pensionable Service is determined by the member's base salary received in relation to the member's 1.0 FTE pensionable salary.

For the following scenarios the 1.0 FTE base annual salaries are:

- a) \$50,444 = category 5, step 1
 - b) \$56,955 = category 5+, step 1
 - c) \$58,384 = category 6, step 1
-

Scenario 1

A full-time 10-month member at category 5, step 1 during the reporting period

$$\text{Pensionable salary} = \$50,444 + \text{SIP allowance} = \$51,453$$

$$\text{Pensionable service} = 10.00 \text{ months}$$

Scenario 2

A full-time 10-month member at category 5, step 1 during the reporting period, also received a \$5,000 department head allowance for 10 months

$$\text{Pensionable salary} = \$50,444 + \$5,000 + 2\% \text{ SIP allowance} = \$56,553$$

$$\text{Pensionable service} = 10.00 \text{ months}$$

Scenario 3

A full-time 10-month member at category 5, step 1 during the reporting period, also received a \$3,000 department head allowance for 6 months

$$\text{Pensionable salary} = \$50,444 + \$3,000 + 2\% \text{ SIP allowance} = \$54,513$$

$$\text{Pensionable service} = 10.00 \text{ months}$$

Scenario 4

A 0.5 FTE 10-month member at category 5+, step 1 during the reporting period, also received a \$1,000 first aid allowance

$$\text{Pensionable salary} = (\$56,955 \times 0.5) + \$1,000 + 2\% \text{ SIP allowance} = \$30,067$$

$$\text{Pensionable service} = 5.00 \text{ months}$$

Scenario 5

A FTE 1.0 10-month member at category 5, step 1 from January to June and category 5+, step 1 from September to December

$$\text{Pensionable salary} = \$50,444 \times (6/10) + \$56,955 \times (4/10) + \text{SIP allowance} = \$54,108$$

$$\text{Pensionable service} = 10.00 \text{ months}$$

Scenario 6

A full-time (1.0) 10-month member at category 5, step 1, receives a base salary grid increase, on December 1, to category 5+, step 1, retroactive to January 1

$$\text{Pensionable salary} = \$50,444 \times (9/10) + \$56,955 \times (1/10) + \text{retroactive pay of } \$5,860 + \text{SIP allowance} = \$58,094.$$

$$\text{Pensionable service} = 10.00 \text{ months}$$

Scenario 7

A full-time 10-month member at category 5, step 1 during the reporting period, also worked summer school and earned \$5,044

$$\text{Pensionable salary} = \$50,444 + 2\% \text{ SIP allowance} + \$5,044 = \$56,497$$

$$\text{Pensionable service to report} = 11.00 \text{ months}$$

Scenario 8

A full-time 10-month member at category 5, step 1 during the reporting period, also worked summer school and earned \$2,522

$$\text{Pensionable salary} = \$50,444 + 2\% \text{ SIP allowance} + \$2,522 = \$53,975$$

$$\text{Pensionable service to report} = 10.50 \text{ months}$$

EXAMPLE B: MEMBER DID NOT EARN ALL SALARY

A full-time, 10-month member earning \$80,000 (100% of the FTE pensionable salary) was absent for five school days during the reporting period.

$$\text{Pensionable service} = \frac{*\$77,948.72}{\$80,000} \times 10 = 9.74 \text{ months}$$

* Based on a school calendar of 195 days, 5 days without pay are equal to $\$80,000/195 \times 5 = \$2,051.28$. Accordingly, $\$80,000 - \$2,051.28 = \$77,948.72$

EXAMPLE C: TOC CALCULATION

A TOC worked two days per week with one-week spring break (192 days FTE as determined by the school district) for a combined 74 days during the reporting period.

$$\text{Pensionable service} = \frac{74}{192} \times 10 = 3.85 \text{ months}$$

7.3.3 Specific salary and service reporting requirements

7.3.3.1 *Service and related salary in excess of 10 (12) months*

Report all service accrued, and related salary, even if the member's service exceeds 10 (12) months in a calendar year (e.g., for a full-time teacher who works for a full month and also teaches a night school or summer school course, you must still report the full amount of service even if it exceeds the maximum). We will cap the member's service at 10 (12) months to comply with the *Income Tax Act* but the member will be credited with all of the pensionable salary that was originally reported.

7.3.3.2 *Retroactive salary*

A member may receive salary retroactively (e.g., a contract settlement) for a period that you have already reported. In this event, report salary and contributions only. The corresponding pensionable service will already have been reported with the original salary and service data.

The retroactive salary that applies to the period the employee was a plan member is pensionable and you must report it.

Contribution rates on retroactive salary are calculated using the date the salary is paid and not the date the salary was earned.

If you pay a plan member in the current year for time earned in a prior calendar year that has not yet been reported, contributions **must not** be deducted and remitted through the normal process. The service, salary and contributions for the prior year **must not** be included on your payroll report. Any adjustment to what was reported for a prior calendar year must be done through the arrears (see section 2) or ineligible process (see 7.3.4.2).

Reporting retroactive salary

It is important that we are able to differentiate regular salary from salary that is retroactive to prior years, because it can affect a member's future retirement benefit. See section 7.4.2 Service Event for further information on Service Event types.

Method 1 Report retroactive salary using a service event type RT on a separate line on your payroll report and do not include the retroactive salary amount in regular salary.

If you report using this method, the pay will automatically be apportioned to the correct period for highest average salary purposes.

EXAMPLE (EXCEL FORMAT)

The member worked full time and was paid \$45,000.00 in 20xx, but \$5,000.00 of the pay was retroactive salary for 20yy.

| | | | | | | | | | | |
|-----------|-------|----|----------|----------|-------|----|---------|--|------------|------------|
| 111111111 | Name1 | RG | 05GE10MO | 40000.00 | 10.00 | 10 | 2796.00 | | 20xx-01-01 | 20xx-12-31 |
| 111111111 | Name1 | RT | 05GE10MO | 5000.00 | | | 349.50 | | 20yy-01-01 | 20yy-12-31 |

If you are unable to report using method 1, you can report using methods 2 or 3. If you use methods 2 or 3, you will be reporting the retroactive salary information on a second Service Event Record.

Method 2 If your payroll system is unable to split out the retroactive pay from the current salary when the payroll report is created, include the retroactive pay in your regular payroll report and submit a second Service Event Record, separate from your regular payroll report. On this report, you must use a service event type AD to remove the retroactive salary from the regular earnings and a service event type RT to apply it to the correct period.

EXAMPLE (EXCEL FORMAT)

The member worked full time and was paid \$45,000.00 in 20xx, but \$5,000.00 of the pay was retroactive salary for 20yy.

Payroll report (retroactive salary is included)

| | | | | | | | | | | |
|-----------|-------|----|----------|----------|-------|----|---------|--|------------|------------|
| 111111111 | Name1 | RG | 05GE10MO | 45000.00 | 10.00 | 10 | 3145.50 | | 20xx-01-01 | 20xx-12-31 |
|-----------|-------|----|----------|----------|-------|----|---------|--|------------|------------|

Second Service Event Record (adjusts the payroll report amount and shows the retroactive salary as RT)

| | | | | | | | | | | |
|-----------|-------|----|----------|----------|--|--|---------|--|------------|------------|
| 111111111 | Name1 | AD | 05GE10MO | -5000.00 | | | -349.50 | | 20xx-01-01 | 20xx-12-31 |
| 111111111 | Name1 | RT | 05GE10MO | 5000.00 | | | 349.50 | | 20yy-01-01 | 20yy-12-31 |

Method 3 Report retroactive salary on a second Service Event Record, using a service event type RT, and do not include the retroactive salary amount in the regular pay on your regular payroll report.

EXAMPLE (EXCEL FORMAT)

The member worked full time and was paid \$45,000.00 in 20xx, but \$5,000.00 of the pay was retroactive salary for 20yy.

Payroll report

| | | | | | | | | | | |
|-----------|-------|----|----------|----------|-------|----|---------|--|------------|------------|
| 111111111 | Name1 | RG | 05GE10MO | 40000.00 | 10.00 | 10 | 2796.00 | | 20xx-01-01 | 20xx-12-31 |
|-----------|-------|----|----------|----------|-------|----|---------|--|------------|------------|

Second Service Event Record

| | | | | | | | | | | |
|-----------|-------|----|----------|---------|--|--|--------|--|------------|------------|
| 111111111 | Name1 | RT | 05GE10MO | 5000.00 | | | 349.50 | | 20yy-01-01 | 20yy-12-31 |
|-----------|-------|----|----------|---------|--|--|--------|--|------------|------------|

35-year members

If an active member:

- accrued 35 years of pensionable service prior to January 1, 2018,
- recommenced contributions effective January 1, 2018, and
- receives retroactive salary for a period of time that pre-dates the 35 year date,

deduct contributions for the period prior to the 35 year date. Also deduct and report on the retroactive salary applicable to service earned after January 1, 2018.

EXAMPLE (EXCEL FORMAT)

The member worked full time and was paid \$67,000.00 in 2018, but \$7,000.00 of the pay was retroactive salary earned before and after the teacher reached 35 years.

Retroactive period: Sept. 1, 2015 – Dec. 31, 2017 (24 months)

- accrued 35 years pensionable service on June 30, 2016
- recommenced contributions on Jan. 1, 2018
- current year contribution rate is 12.92%

Payroll report

| | | | | | | | | | | |
|-----------|-------|----|----------|----------|-------|----|---------|--|----------|----------|
| 111111111 | Name1 | RG | 05GE10MO | 60000.00 | 10.00 | 10 | 7752.00 | | 20180101 | 20181231 |
|-----------|-------|----|----------|----------|-------|----|---------|--|----------|----------|

Second Service Event Record

| | | | | | | | | | | |
|-----------|-------|----|----------|---------|--|--|--------|--|----------|----------|
| 111111111 | Name1 | RT | 05GE10MO | 7000.00 | | | 376.83 | | 20150901 | 20171231 |
|-----------|-------|----|----------|---------|--|--|--------|--|----------|----------|

$\$7,000/24 \text{ months} \times 10 \text{ months (months in the retroactive period before reaching 35 years)} = \$2,916.67$ (retroactive salary for 10 month period)

$\$2,916.67 \times 12.92\% = \376.83 (retroactive salary \times current year contribution rate = contributions)

Terminated and retired

If a member has terminated employment or retired, and subsequently receives retroactive pay for a period of time when they were still an active plan member, contact Member Services at the Teachers' Pension Plan. We will advise you whether or not contributions should be deducted and remitted.

7.3.3.3 Maternity/parental/adoption leave top-up

Employment Insurance (EI) pays a portion of pre-leave salary to a prescribed maximum. If you "top-up" pregnancy/maternity or parental/adoption leave to a maximum percentage of salary, the top-up is pensionable salary.

The pensionable service on the top-up is calculated using the same calculation formula as actual time worked (pensionable salary earned divided by full-time equivalent pensionable salary $\times 10$ (12)).

If you pay the top-up as a lump sum at the end of the leave, this is considered payroll arrears. See section 2 and section 8 for information on reporting and paying for arrears.

Note: Members may be able to purchase leaves. See section 2.

EXAMPLE

1) 10mo employee receiving top up for 10 months

Pre-maternity leave full-time salary = \$5,000 per month ($\5000×10 months = \$50,000 annualized full time salary)

Top-up paid = \$1,500 per month ($\$1,500 \times 10$ months = \$15,000 total top up paid for the year)

Pensionable service associated with top up salary:

$\$15,000 \div \$50,000 \times 10 = 3$ months

EXAMPLE

2) 12mo employee receiving top up for 12 months

Pre-maternity leave full-time salary = \$5,000 per month ($\5000×12 months = \$60,000 annualized full time salary)

Top-up paid = \$1,500 per month ($\$1,500 \times 12$ months = \$18,000 total top up paid for the year)

Pensionable service associated with top up salary:

$\$18,000 \div \$60,000 \times 12 = 3.60$ months

7.3.3.4 Severance pay

When a member receives severance pay, it is generally not pensionable; however, it may be considered pensionable if certain criteria are met.

- Under the *Income Tax Act*, the member must still be an employee for severance pay to be pensionable.
- To be considered an employee, the member must have employment insurance premiums and Canada Pension Plan contributions taken from their severance pay.
- If the member does not meet the definition of employee as described above, contributions to the pension plan alone are not allowed.

If you require further information on the above, please contact CRA.

Pensionable and contributory service must be reported along with the salary and contributions on your payroll report. Prior year adjustments cannot be reported through the payroll reporting process; they must be dealt with as an arrears purchase.

If the above criteria are met, you must submit Employee Information at Termination/Retirement online at the end of the severance period, not at the beginning. If you have already submitted data, you will need to provide us with an *Amended Employee Information at Termination/Retirement* form showing the new termination date.

7.3.3.5 Vacation pay

In general, vacation paid for time off is pensionable and pay in lieu of vacation time is not. There must be pensionable service associated with vacation pay for it to be pensionable.

7.3.3.6 Deferred salary

If you offer a deferred salary program, the purchase period is for general leaves without pay. The member's contributions and service for the period prior to the leave should be reported and paid, for pension purposes, at full salary and service without deferral. For the years the employee is deferring salary they employer should report service and salary as full—no service or salary should be reported in the year the employee is taking the leave and they may be eligible to purchase this leave.

7.3.3.7 *Substitution pay*

Teachers who take time off and have a TOC replace them will have their pensionable service reduced based on the amount of salary paid to the TOC.

For example, if a teacher earns \$300 per day and a substitute is paid \$200 per day, the member's pensionable service will be based on \$100 or $\frac{1}{3}$ of their daily service entitlement.

7.3.3.8 *Modified school calendars and extended spring break*

If you are considering extending the spring break or moving to a modified school calendar or have staff working at one or more schools in your district and one is on a modified calendar, please contact the Pension Corporation for clarification of pension implications.

In most cases, extending the spring break or moving to a modified school calendar has little impact on members who are full-time within the calendar year and who are continuing their employment.

However, shifts to an extended spring break or to a modified school calendar can have more significant impacts on members' accounts if they are a TOC or they work for a district that extends the school calendar beyond June 30.

For example, the end date and credit for pensionable service may be affected in the year of a member's retirement, having an impact on either the member's retirement date or the amount of service credited to the member's account. These impacts can be mitigated, but employers should contact the Pension Corporation for assistance understanding the pension implications, assessing the most appropriate reporting procedures, and providing information to impacted members.

EXAMPLE

1) Extended Spring Break

The regular spring break is one week in March. However, some schools may extend the spring break to two weeks and extend the school day by a defined amount of minutes per day so teachers will receive service and salary for the entire spring break.

In such as case, credited pensionable service is not affected if a teacher terminates prior to the spring break or between the spring break and the end of the school year.

EXAMPLE

2) Modified School Calendar

The regular school calendar is 10 months from September through June. However, under a modified calendar, some schools might close for the month of April and open instead for the month of July. In such a case, a teacher retiring June 30 would have five months' service instead of six, or the teacher might not be able to retire as of July 1 because they may be working in the month of July.

7.3.4 Contributions

For the current employer and member contribution rates, click on *E-Remittance* in the Employer Portal, select the plan, then click on *View Contribution Rates*.

Both employer and member contribution rates are subject to change, based on an independent actuarial valuation that is performed at least every three years. The last valuation is available within the Annual Report on the plan website. Click *About us > Reports*.

For more information, see the plan rules, which are available at tpp.pensionsbc.ca.

Contributions on pensionable salary of \$60,000 for the year 20xx are calculated as:

Member contributions:

$$\$60,000 \times 12.92\% = \$7,752$$

Employer contributions:

$$\$60,000 \times 13.23\% = \$7,938$$

7.3.4.1 35 year members

Members who reach 35 years before 2018 and are:

- active members on January 1, 2018, will recommence contributions effective January 1, 2018.
- inactive members on January 1, 2018 but become active after January 1, 2018, will recommence contributions effective the date they become active.

7.3.4.2 Ineligible contributions

Ineligible contributions can occur if contributions are taken on salary that is not pensionable. If ineligible contributions are discovered before you submit your *Payroll Report*, you can refund these contributions to the plan member and adjust your next remittance for the employer portion. If ineligible contributions are discovered after you have submitted your *Payroll Report*, you must contact us as we will refund those contributions plus interest to you and to the plan member.

7.3.4.3 ITA limits on T4s

The Teachers' Plan is registered under the *Income Tax Act*, and contributions to the plan are tax-deductible within certain maximums for reporting on members' T4 statements.

The Income Tax Regulation 8503(4) sets maximums on the amount of tax-deductible registered pension plan contributions (these limits affect high-wage earners). We will send—and post to the web—a bulletin each year to advise you of the maximum contribution amounts to be shown on the T4. This applies to tax deductibility of the contributions only; you must still make contributions on all earnings.

7.4 Preparing your payroll report

At the end of each year, submit your annual *Payroll Report* (Service Event Record) containing member service, salary and contributions data for payrolls paid in that year. Depending on an employer's pay schedule, it is possible for a pay period to start and end in December with the regular "pay" date for the period falling in January of the next year. In this situation it is normal for the service, salary and contributions earned for the pay period to be remitted and reported in the next year. For example, service, salary and contributions earned from December 14, 20yy to December 27, 20yy, but paid on January 2, 20xx, would be included in your 20xx payroll report.

Detailed information on reporting formats is available on the Employer Reporting page.

Prior year adjustments are not permitted

If you pay a plan member in the current year for time earned in a prior calendar year that has not yet been reported, contributions **must not** be deducted and remitted through the normal process. The service, salary and contributions for the prior year **must not** be included on your payroll report. Any adjustment to what was reported for a prior calendar year must be done through the arrears (see section 2) or ineligible process (see 7.3.4.2).

7.4.1 Employee group (for reporting purposes)

You must report members according to their employee group. That is, a full-time 10-month teacher must be reported as 1 month for 10 months, not as .8333 for 12 months. You must also report members' salary according to their employee group. You cannot report a 10-month teacher's salary over a 12-month period.

You may have two groups of members: 10- and 12-month employees. The employee groups are identified by a specific employee group code. "05GE10MO" is used for 10-month plan members; "05GE12MO" is used for 12-month plan members.

The employee group will always be an eight-character field with the first two characters being "05" to indicate that it is a plan employee group.

Changing employee groups

Dates of conversion to either a 10-month or 12-month employment must be reported to the corporation.

You must create a new Plan Member Record (PMR) for the new employee group. You must complete and submit PMR information electronically within 30 days of the change.

When completing a PMR, remember:

- A 'hire date' is required on the new record. In order for the PMR to be accepted into our system, you need to report the date the member joined this employee group. This should be the same date you enter as the 'contribution start date.'
- The 'contribution start date' on the new record must be the contribution start date under the new employee group.

- In cases where the previous employment group is definitely ending, you must advise us of this through the message board. We need to know a change of employee group has occurred, the PMR has been submitted and the previous employment end date.

See section 7.5.1, Reporting Plan Member Record information, for more information about submitting PMRs.

10-month teachers paid over 12 months

A member's retirement benefit is effective the first day of the month following the month for which final payment of salary is made. If you have converted a member to a 12-month pay system for any period after July 1, their retirement benefit effective date can be adversely affected. For example, if 12-month conversion occurred August 1, and the member retires June 30 and receives salary for July (regardless of it being paid in the month of June), the retirement benefit will be effective August 1.

To avoid this situation:

- You can implement a payroll savings plan. Withhold 17 per cent ($100\% - [10 \div 12]$) of each paycheck and deposit it into a type of savings account. The member could still be paid over 12 months without the payroll system or the pension contributions being affected.
- Pay these members over 10 months in their last year of employment. However, if a member decides to retire after the beginning of the school year and they have already been paid according to a 12-month schedule, there could be administrative challenges to ensure the retirement benefit is effective July 1.

If you continue to pay members over 12 months, you must notify them that their retirement benefit effective date could be affected as described above.

Each member's employee group must be included on all reports to the corporation. Please contact Employer Operations if you have any questions.

7.4.2 Service event

Any service, salary and contributions you report are called “service events.” Enter service event types as shown below.

| SERVICE EVENT TYPE VALUES | DESCRIPTION (LINK TO SECTIONS) | SERVICE EVENT MUST ONLY INCLUDE |
|---------------------------------|--|---|
| RG | Regular pensionable earnings | Pensionable service Contributory service Pensionable salary Employee contributions |
| RT | Retroactive earnings | Pensionable salary Employee contributions |
| RH | Rehabilitation earnings | Pensionable service Contributory service Pensionable salary Employee contributions |
| SF | Salary Indemnity Plan (SIP) (reported by BCTF only) | Pensionable service Contributory service Pensionable salary |

7.4.3 Service Event Record

To create a Service Event Record follow the formatting requirements outlined on the Reporting Instructions page under Employer Reporting in the Employer Portal. Then submit this file through Data Submission. You will find instructions for submitting both standard format files and Excel files on the Employer Reporting page.

The dates must reflect the actual time that the member is working or deemed to be at work.

The effective **start date** for each member on your payroll report is:

- your payroll start date for the segment,
- January 1, or
- the date the member started contributing (if in current segment).

The effective **end date** for each member on your payroll report is:

- your payroll end date for the segment,
- December 31 (if you report based on the calendar year), or
- the last day the member contributed in the segment.

Please refer to section 1.1.6 for more information regarding concurrent employment and your reporting requirements.

7.4.4 Avoiding common errors

Refer to the reporting instructions for preparing and submitting your reports on the secure employer site.

Payroll Report

- Only include members for whom you have paid pensionable salary or service the year or those on an approved LTD claim. If there aren't any service events for an employee, remove them from the report. Do not report service with only a zero.
- Ensure you have submitted new members whose contribution start date is in the current year
- Only report current adjustments

- Use natural numbers (i.e., no zeros) in the report columns. Zeros will be rejected and the line will be deleted or you will have to resubmit the report.
- Ensure your payroll start dates for the current year do not overlap with your previous report
- Report each service event type [regular (RG), rehabilitation (RH), retroactive (RT)] as a separate entry
 - When an employee starts or ends long-term disability, the RH and RG must be reported based on the long-term disability dates
- Report pensionable and contributory service and salary for employees with over 35 years of pensionable service
- For employees who are no longer working, report the service event end date as the last day they contributed

LTD Start/Stop

Report the correct end date for your member's RG service event. If an incorrect date is reported, future LTD start dates that overlap a posted RG will cause an error and the LTD start date will not be accepted.

7.4.5 Finalizing your payroll report

After the payroll report is posted to your members' accounts, we make sure the total amounts posted are equal to the total amounts you have remitted throughout the year (see section 8).

In most cases, if a difference is identified, we will contact you. You will need to review your submitted report and notify us about any corrections or additions. If the difference cannot be explained, the segment will be completed and our finance department will be in contact with you to arrange payment adjustments.

7.5 Non-payroll reports

7.5.1 Reporting Plan Member Record information

7.5.1.1 Plan Member Record (PMR) Electronic Form

Access the PMR Electronic Form tool

1. Sign in to the secure employer website and access the Employer Portal.
2. Under Employer Reporting, click Plan Member Record Electronic Form.

Create a new PMR

The PMR Electronic Form tool is used to create an employee record in our system. Given there are no errors in the PMR submission, the PMR for the employee will upload to their account instantly. The PMR can be dated up to four months into the future as it will be stored electronically until the indicated contribution start date. Please note—for future dated PMRs, these PMRs are not accessible in this state until the Contribution start date has passed. Please refrain from submitting any updates until this time, or contact Employer Operations if you have any questions.

New PMRs must be completed and submitted within 30 days of the employee's contribution start date for a new employee group, and if a plan member changes employee groups or moves from one plan employer to another.

1. Access the PMR Electronic Form tool.
2. Select Create New Plan Member Record.
3. Complete the required fields marked with an * asterisk:
 - SIN
 - last and given names
 - gender
 - birth, hire, and contribution start dates
 - employee group
 - union affiliation
 - address, city, province, postal code
 - email address
4. Complete the applicable optional fields.
5. Click Submit.

You must advise us if an employee changes employment group through the message board. We need to know a change of employee group has occurred, the PMR has been submitted, and the previous employment end date.

You must create a new PMR when you have an employee who moves into a different employee group. Use “05GE10MO” to indicate a 10-month member and “05GE12MO” for a 12-month member. The hire and contribution start date must be entered as the date the employee moved to the new group.

Update a PMR

Use the Update Existing PMR tool when a plan member’s information changes, including when a member with an immigration SIN (begins with 9) obtains a Canadian SIN. Updates to existing PMRs must be completed and submitted within 30 days of the change.

1. Access the PMR Electronic Form tool.
2. Select Update Existing Plan Member Record.
3. Complete the required fields marked with an * asterisk:
 - SIN (if updating from an immigration SIN, enter the Canadian SIN)
 - last name
4. Complete changes to other applicable fields.
If updating from an immigration SIN, enter it in the previous SIN field.
5. Click Submit.

Note: When updating a member’s Union Affiliation, Primary or Secondary Location information, you must also provide the Employee Group.

View PMR Submission History

Use the Submission History tool to view and print the history of the PMRs your organization has submitted.

This tool is located under the Employer Reporting > Data Submission > Submission History section.

PMRs submitted with pending errors will appear under the main File Type: Plan Member Record area on the Data Submission History page. PMRs with pending errors will display with a *Processing* status. Employer Operations will contact the organization if there is any further information required for PMRs in *Processing* status. All PMRs submitted by the organization can be viewed by clicking on the *Rolled Up PMR History* link located underneath the Plan Member

Record file. The fully posted PMRs will appear under this report with a *Posted* status.

7.5.1.2 Creating a report to enrol multiple employees

You have the option of enrolling employees using a report instead of completing the electronic Plan Member Record for each individual. To do this, you will also need to access our detailed instructions on preparing and submitting reports, available in the Employer Portal. Click *Employer Reporting > Reporting Instructions*.

To create a report that would include all of the required Plan Member Record information, the following records need to be completed and submitted to us through the Data Submission tool:

- Person Record
- Address Record
- Employment Record
- Spouse Record (available if reporting using ‘Standard Format’ only)

If using Excel format:

- You will not be able to report the spousal information; this information can be provided to us directly by the plan member once you have enrolled them.
- All records—Person, Employment and Address—must be sent to us on the same day.

7.5.2 Address information

Report new address information for employees who are plan members on an ongoing basis via the plan member Record Electronic Form. Please refer to the Canadian Addressing Guide (available on the Canada Post website) for formatting instructions.

We require up to date address information to ensure that plan members receive our correspondence, e.g., pension estimate, pension adjustment statement, *Member’s Benefit Statement*.

7.5.3 Plan member union affiliation

Employers must report up-to-date union affiliation information for all their plan member employees. You can report annually or submit changes any time using the individual Plan Member Record (PMR) update tool or by submitting an employment record report. Please include this information on the Plan Member Record when you enroll new employees. If reporting annually, see section [7.6 Submitting your report\(s\)](#) for information on the data submission format.

We will annually audit the union affiliation information we have on file and provide employers with a list of member accounts that contain inaccurate, or incorrectly formatted, data. We will request that you provide us with the corrected information for these members.

Before you begin:

1. Refer to your collective agreements to identify the correct unions. Collective agreements usually list the employer(s) and union on the title page (i.e. the agreement between the employer and the union).
2. Find the union in [Appendix A—Union affiliation reporting abbreviations](#) to obtain the correct union affiliation code.

If you are not able to identify the correct union, the department who negotiates your collective agreements may be able to help.

If the union you need is not listed in Appendix A, please contact the Employer Operations via message board for assistance.

Regardless of how you report union affiliation information, please remember:

1. It is mandatory to report this information.
2. If an employee has more than one position and union affiliation, report the affiliation information for the most worked position.
3. The first five characters (or information provided in column D if using the spreadsheet reporting method) represents union affiliation.

4. Union affiliation codes are case sensitive and can be no more than five characters.
5. If your employee does not belong to a union, report them as NONU (non-union).
6. Input the code exactly as it is shown in the table provided in [Appendix A—Union affiliation reporting abbreviations](#).
7. Do not make up your own codes.

7.6 Submitting your report(s)

It is your responsibility to ensure the security and confidentiality of information you submit to us.

7.6.1 Submitting through the web

You are required to submit your files through our Data Submission tool, which is designed to make employer reporting easy, secure, efficient and accurate. The Data Submission tool is in the Employer Portal. Click *Employer Reporting > Data Submission*.

If you have not already done so, you will need to set up a profile before you can submit a file to the corporation. Your profile specifies the file types and formats of the data that you submit for employer reporting. Once you access the Data Submission web service, you will be asked to set up a profile.

Data files are accepted in Excel or standard format, and instant feedback will be provided on any formatting issues. Once you have addressed any formatting issues, your data will load directly into our system on the evening of the day you submit it. You can also view the history of the files you've submitted and their current status up to 18 months after the submission.

1. Standard format file

Our standard format is fixed width. It requires a header record to provide details on the submission, and a trailer record to provide the totals of the records on the file. You can access further details on preparing and submitting reports in the Employer Portal. Click *Employer Reporting > Reporting Instructions*.

To find out more about submitting to us in this format, please have your systems expert contact us at employer.services@pensionsbc.ca.

2. Excel format file

If you do not report using our standard format, you must use an Excel formatted spreadsheet. Excel formatted files must provide the correct data elements in a prescribed column order. Detailed information about how to set up and submit your Excel formatted files is available in the Employer Portal. Click *Employer Reporting > Reporting Instructions*.

If you have questions, please contact employer.services@pensionsbc.ca.

7.6.2 Submitting without web access

If you don't have access to our website or have questions about other ways to submit files, please contact us immediately by phone toll-free (Canada/U.S.) at 1-855-356-9701 or by email at employer.services@pensionsbc.ca.

7.7 Payroll Report verification

Once your payroll report has been submitted, it will move through a series of further checks to ensure it meets our requirements. If there are errors, we will contact you for clarification or ask you to submit a corrected report.

The checks occur in two stages: The report is scanned, then individual records are reviewed.

Report

Scanning for the following:

- report is a duplicate
- a report is missing (e.g., last year's report)
- mandatory fields are missing (including fields for individual records)
- the column totals do not balance

Individual record

Reviewing for the following:

- person does not exist in the database (a Plan Member Record was not submitted)
- no record of an active employment with your organization (a Plan Member Record was not submitted)

- pensionable service exceeds contributory service
- reported contributions do not correspond with reported salary (see *Variance Summary Report*)

7.8 Data validation reports sent to you

7.8.1 Contribution Variance Summary Report

The *Contribution Variance Summary Report* lists plan members whose reported salaries do not match reported contributions. A variance can occur for any of the following reasons:

- insufficient contributions deducted on pensionable salary
- excess contributions deducted on pensionable salary
- payroll report was not reconciled to actual contributions deducted and remitted, and salary and contributions were reported incorrectly (see section 8)

If you receive a *Contribution Variance Summary Report*, correct each individual account and return it to Employer Operations.

You must not reflect any of these adjustments on the next year's annual payroll report. If a variance correction results in you having to collect additional contributions or return excess contributions to an employee, the correction must not be reported to us again. It must not be included in future regular remittances or payroll reports. The next year's payroll report must only include pensionable salary paid to the employee in that year and the contributions that were made or deemed to be made on that salary.

7.8.2 One year, no contributions

Each year, we may send you a report called *Active Members With No Service Events in Over One Year*. This report lists employees for whom you have not reported any data for the preceding calendar year.

Plan members' names may appear on the report for the following reasons:

- member has terminated employment and Employee Information at Termination/Retirement data has not been submitted
- member is on an extended leave of absence

- member is casual and has not worked for one year
- member is on LTD and long term disability information has not been submitted online
- member is on a seniority or recall list and has not made a contribution for one year

The report will be accompanied by an email notification outlining what action you will need to take for plan members listed on the report. See section 3 for more information on termination.

IMPORTANT: The termination date for pension plan purposes will be when the member stops contributing to the plan (last day worked) or at the end of the approved leave, whichever is later.

7.9 Key employer reporting dates

The continued success of payroll reporting relies on timely submission of accurate information. You are responsible for reconciling the total monies remitted to the detailed payroll reports filed. This ensures the accuracy of member records for PAs and member’s benefit statements. Any delays in submitting information may delay production of your PAs.

| REPORTS/FILES REQUIRED | FINAL DATE FOR SUBMISSION |
|---|---|
| Any changes to your income tax numbers, sort option for Pension Adjustment/Member’s Benefit Statements or listed contacts | Mid-November |
| Member address changes | December 1 |
| Location/sub-location sort file (if you are provided with one) | December 1 |
| Payment for direct mailing of PA statements to members (if applicable) | Last week in December |
| Plan Member Record data (should be reported upon enrolment) | December 31* |
| LTD confirmation reports | January 10 |
| Annual payroll report(s) | The earlier of January 10, or 10 business days after the last pay period of the reported year |

* You must complete and submit Plan Member Record information electronically within 30 days of enrolment.

Appendix A—Union affiliation reporting abbreviations

A code has been assigned to each union, or organized employee association/society. In most cases this is the same as the union's acronym, but where this exceeds 5 characters, the acronym has been shortened.

Plan members not represented by a union (includes employees that are exempt, excluded or management) have a unique code that must be reported—NONU.

See [Section 7.5.3 Plan member union affiliation](#) for more information.

| UNION NAME (LEGAL) | UNION CODE |
|---|------------|
| BC Principals' & Vice-Principals' Association | BCPVP |
| British Columbia Teachers' Federation | BCTF |
| Plan members who are not represented by a union | NONU |