

EMPLOYER INSTRUCTION MANUAL

TEACHERS' PENSION PLAN

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INTRODUCTION

WELCOME TO THE EMPLOYER INSTRUCTION MANUAL

Teachers' Pension Board of Trustees

The Teachers' Pension Board of Trustees is responsible for administering the pension plan and managing the pension fund. The board consists of five people appointed by plan member partners and five people appointed by the plan employer partners.

The board's duties include establishing investment policy, recommending changes in benefits and funding policy, and directing the application of pension plan rules. The board appoints an independent actuary to assess the plan's financial health every three years through an actuarial evaluation.

Pension Plan Rules

A copy of the Teachers' Pension Plan Rules is available on the plan's website at tpp.pensionsbc.ca. Copies of legislation affecting the plan, such as the *Public Sector Pension Plans Act* (PSPPA), the *Pension Benefits Standards Act* (PBSA), and *Income Tax Act* (ITA) (Canada), are available from the appropriate authorities.

BC Pension Corporation

The British Columbia Pension Corporation was established on April 1, 2000 under the *Public Sector Pension Plans Act*. We serve some of the largest pension plans in Canada, representing more than 1,100 employers and over 560,000 active and retired members.

Duties of the corporation

The corporation acts as the administrative agent for the Teachers' Pension Board of Trustees (the board).

Services provided to the pension plan include:

- enrolling employers and employees,
- collecting and recording service, salary, contributions and other information from employers and plan members,
- providing information about pension plan rules and benefits to employers and plan members,
- calculating and processing benefits,
- paying benefits to members,
- filing documentation with appropriate tax and pension regulators, and
- providing policy advice and secretariat services to the board.

Pension plan website

The corporation maintains the plan's website at tpp.pensionsbc.ca. Through this website, we provide considerable public information as well as information and services that require the use of a username and password (secured web services).

Employers

From the employer website sign-in page, you will be able to access Web Services, employer enrolment and the *Employer Instruction Manual*.

Once signed in to the secure employer website, you will be able to access employer news and education, forms, the *Employer Instruction Manual*, and the employer reporting tools in the Employer Portal.

In the secure Employer Portal, you will find reporting tools and resources, including:

- Employer Reporting (including Data Submission, Plan Member Record Electronic Form, File Pick-up, LTD Start/Stop, LTD Policy Validation and reporting instructions)
- Message Board
- User Management

- View Member Data
- E-Remittance

Members (My Account)

Members can register for My Account by selecting “my account” from the top menu, then “Register” under Sign in help. They will need the last three digits of their SIN and their Person ID number (unique identification number) from their Enrolment confirmation statement or most recent *Member’s Benefit Statement*.

My Account uses 2-step verification to enhance member security. When a member enters their username and password, a one-time code is emailed to them. Members must enter that code within 10 minutes, to verify their identity and proceed to My Account.

Within My Account, members are able to:

- update personal sign in information,
- view personal information, including their service and salary history, and recent *Member’s Benefit Statements*,
- view or change their beneficiary(ies),
- use the personalized purchase cost estimator,
- use the personalized pension estimator,
- scan and upload proof of age and identity documents,
- apply for retirement,
- contact the pension plan securely using *Message Centre*, and
- check the status of their requests in *View your requests*.

Resources and publications

Teachers' Pension Plan Rules

A copy of the plan rules is available from the plan's website at tpp.pensionsbc.ca.

Annual Report and Report to Members

A copy of the board's *Annual Report* is available to members and retired members on the plan's website. A summary version, the *Report to Members*, is produced for distribution to plan members who receive a *Member's Benefit Statement*.

Employer Instruction Manual

We provide the *Employer Instruction Manual* to help employers administer the pension plan for their employees who are plan members. Manual sections are updated periodically. Check the employer website for updates.

Bulletins and newsletters

The Pension Corporation publishes a monthly, online employer newsletter with information about the pension plan and data reporting. Emails are sent to employers if information is time sensitive or it is for a small group of employers.

Employer bulletins provide detailed information on a topic, when necessary. They are shared in an issue of the employer newsletter or an email.

The corporation publishes *Pension Life* for retired members.

Member's Benefit Statements

Member's Benefit Statements are produced every year, showing the member's pension account. We will ask you to distribute these statements for us.

Additional information for members and employers

The *Guide for Plan Members* and other resources for members (e.g., information about health benefits, death benefits, etc.) is available at tpp.pensionsbc.ca.

Other information

Other resources, such as information for retired members and archived annual reports, are available from the website at tpp.pensionsbc.ca.

Using the instruction manual

There are 10 major sections:

1. Enrolment
2. Purchasing Service
3. Termination of Employment
4. Retirement
5. Pre-retirement Death
6. Short-term Disability and Long-term Disability
7. Reporting
8. Remitting Contributions
9. PAs, E-PAs, PSPAs, APAs & PARs
10. Division of Benefits on Marital Breakdown

In this manual, “you” means the employer and “we” and “us” means the Pension Corporation.

Forms

You can download copies of any of our forms from the website at tpp.pensionsbc.ca.

Examples

Detailed examples have been provided to further assist you with your pension-related duties.

Proof of age and identity

Copies of documents no longer have to be certified.

Before receiving a benefit, a plan member must supply the Pension Corporation with proof of age and identity documents. Any spouse or beneficiary who receives a benefit must provide proof of age and identity as well. Members can sign in to My Account at tpp.pensionsbc.ca to upload identity documents.

A member can provide documents at any time prior to receiving a benefit.

If documents are in a foreign language, translation may be required. The cost of translation is the member's responsibility. The translator must not be a member of the member's family, and must sign and date the translated document.

Gender identity

Pension Corporation collects gender information for plan administration. Gender information is fundamental as actuaries use this data to help determine the life expectancy of members and whether a pension plan is sufficiently funded.

Members who do not identify as female or male may identify as X. Both the provincial and federal governments allow individuals to change their gender designation to X on government-issued identification such as BC birth certificates, BC driver's licenses, passports and permanent resident cards. In other provinces and territories, individuals may also indicate their gender as X on government identification.

A member updating their gender identity is not required to provide documentation.

The X gender designation recognizes that sex and gender are different concepts that aren't interchangeable.

- "Sex" refers to a person's biological and physiological characteristics, such as male.
- "Gender" refers to how a person feels internally (e.g., a man), and/or the gender a person publicly expresses in their daily life (e.g., at work, while shopping, at home). A person's current gender may differ from the sex they were born and may differ from what is indicated on their current legal documents. A person's gender may change over time.

Providing the documents

There is no longer a need for employers or members to provide certified copies of documents to the Pension Corporation. The only requirement is that they be clear copies of the originals. If the information on the copy is not clear, please print and initial this information on the border of the copy. Members can sign in to My Account at tpp.pensionsbc.ca to upload proof of age and identity documents.

Original documents must not be submitted because of the risk of loss or damage and the cost of returning the documents by registered mail.

Contacting the BC Pension Corporation

Mailing address

Teachers' Pension Plan
PO Box 9460
Victoria BC V8W 9V8

Location

2995 Jutland Road
Victoria BC V8T 5J9

Employer Operations (EO)

EO is responsible for all aspects of current data reporting in all pension plans, including: enrolment of new members; changes to members' personal and employment records; payroll reporting of contributions, salary and service data; and production of pension adjustments. Contact information for EO follows.

Employer Operations (all plans)

Toll-free: 1-855-356-9701 (Canada/U.S.)
Fax: 250-356-1784
Email: employer.services@pensionsbc.ca

Client Education Program (CEP)

CEP is responsible for member and employer education programs. In addition to the free eLearning course and webinars we offer plan members, we are offering you an opportunity to host a webinar for your employees. Contact information for CEP:

Toll-free: 1-877-558-5573 (BC)
Fax: 250-953-0415
Email: TPPEducation@pensionsbc.ca

Member Services

Member Services serves both plan members and plan employers. They are responsible for service requests regarding termination of employment, retirement, death of a plan member, and service purchases. Contact information for each plan is as follows:

Teachers' Pension Plan

Toll-free: 1-800-665-6770 (Canada/U.S.)

Fax: 250-356-8977

Member Services (other plans)

College Pension Plan

Toll-free: 1-888-440-0111 (Canada/U.S.)

Fax: 250-953-0412

Municipal Pension Plan

Toll-free: 1-800-668-6335 (Canada/U.S.)

Fax: 250-953-0421

Public Service Pension Plan

Toll-free: 1-800-665-3554 (Canada/U.S.)

Fax: 250-953-0425

WorkSafeBC Pension Plan

Toll-free: 1-888-440-0111 (Canada/U.S.)

Fax: 250-953-0433

Retired members

Contact information for retired members.

Fax: 250-953-0431 (all plans)

Teachers' Pension Plan

Toll-free: 1-866-876-8877 (Canada/U.S.)

Retired members (other plans)

College Pension Plan

Toll-free: 1-866-322-8277 (Canada/U.S.)

Municipal Pension Plan

Toll-free: 1-866-876-6677 (Canada/U.S.)

Public Service Pension Plan

Toll-free: 1-866-876-6777 (Canada/U.S.)

WorkSafeBC Pension Plan

Toll-free: 1-866-322-9277 (Canada/U.S.)

Rates, contributions and remittances

Employer Operations manages employer contribution rates, employer contribution remittances and other employer billings and payments.

Victoria: 250-356-9701

Email: employer.services@pensionsbc.ca

Resources and publications (all plans)

Toll-free: 1-800-663-8823 (Canada/U.S.)

Fax: 250-356-9591

Email: penc.orderproducts@pensionsbc.ca

BC Pension Corporation Reception

Phone: 250-387-1002

Email: penc.reception@pensionsbc.ca

Disclaimer

Rules and employer process information in this instruction manual may be subject to change without notice. We will provide you with updated material as rules and/or processes change. Check our website often to confirm that you have up-to-date information before advising your employees on any pension-related matters.

Material contained in this manual applies specifically to the Teachers' Pension Plan. If you administer more than one pension plan for your employees, please ensure that you apply the correct plan's rules.

In the event of a conflict between the information contained herein and the plan rules, the plan rules shall apply.

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1 ENROLMENT

1.1 Enrolling your employee

An employee must be 18 years or older and 71 years or younger at the time of enrolment.

When you hire a new employee, you will need to consider whether they need to be enrolled in the pension plan.

An employee must be 18 years or older and 71 years or younger at the time of enrolment to be eligible to be enrolled in the pension plan. Employees are eligible for enrolment until November 30 of the year they turn 71.

Once you have determined an employee is eligible to join the plan, you will need to follow the enrolment process. Some employers are members of multiple pension plans. If you are one of these employers, please remember that the enrolment rules only apply to employees covered under this plan.

If you fail to enrol employees as soon as they become eligible to contribute to the plan you will be required to pay the employer's portion of the arrears. See section 2.4.

Once becoming a member of the pension plan, the employee must continue to contribute until termination of employment or the end of the year they turn 71. This means your employees aged 71 may continue working without interruption, but you must stop collecting pension contributions from them.

See section Section 4.1 Eligibility for a pension for more information.

1.1.1 Member education

The corporation offers a free, eLearning course for new or potential members and webinars aimed at mid-career plan members and those approaching retirement. Members can find a description of the course and webinars on the plan's site, tpp.pensionsbc.ca. There, they can also access eLearning.

The webinars are regularly scheduled or may be requested by employers and employer/employee associations. The schedule and application is posted on the secure employer site. All members are welcome to attend the webinar, including those receiving benefits under an LTD plan.

1.1.2 Employer obligation to provide information

The [Guide for plan members](#) contains valuable information that will help your employees learn about plan membership and their pension, which is a provincial legislative requirement of the *Pension Benefits Standards Act* (PBSA).

To meet this legislative requirement, you must provide a paper copy of the guide to your employees on or before their employment date, or at least 30 days before they become eligible to join the plan. A print icon can be found at the bottom of each web page.

Alternatively, you may provide an electronic copy of the guide to your employees. If you choose to do so, you must provide clear, written instructions, which includes the following information:

- where your employees can access the guide (as noted below), and
- if, at any time, they request a paper copy, you must provide it to them.

You can access the guide on the plan's website at tpp.pensionsbc.ca by entering the search term "guide for plan members" and then clicking Guide for plan members.

You can also find the guide on the secure employer site. In the Employer Reporting section, click More › Plan Member Record Electronic Form.

You must advise your eligible employees that their enrolment in the plan is mandatory.

1.1.3 Eligible employees

All eligible employees must be enrolled in the plan as soon as they are hired.

If you are a board of school trustees, a francophone education authority or an official trustee, your eligible employees are:

- teachers, principals, vice principals, directors of instruction, francophone teachers, francophone principals, francophone vice principals or francophone directors of instruction as those terms are defined in the *School Act*,

- superintendents of schools, assistant superintendents of schools, chief executive officers of a francophone education authority or assistants to the chief executive officer of a francophone education authority as those terms are used in the *School Act*, and
- associated professionals or certified professionals—BCTF members who provide professional support to the educational program provided by the employer.

Teachers who have applied for certification from the Teacher Regulation Branch (TRB) of the Ministry of Education should be enrolled as soon as they are hired. If certification is denied and the teacher does not qualify to be a member of the plan under one of the other categories of eligible employee, you will immediately cease deducting pension contributions and arrange for the refund of the ineligible contributions.

If you are an employer that has been designated as a plan employer by the Teachers' Pension Board of Trustees, your eligible employees are:

- permanent employees who you have designated for coverage under the plan.

Mandatory enrolment

Mandatory enrolment rules, effective July 1, 2005, require that all eligible employees, including regular and casual employees must be enrolled in the plan immediately.

EXCEPTION: Retired members of the plan who become re-employed may choose to continue to receive their retirement benefit, in which case the enrolment rules do not apply (see section 1.7).

1.1.4 Waiver of Pension Coverage

All eligible employees who previously waived enrolment in the plan under the optional enrolment rules must be enrolled effective July 1, 2005. Members cannot purchase service for which they waived enrolment (see section 2 for information on purchasing service).

1.1.5 Responsibility of an employer to provide information to the Teachers' Pension Plan

In accordance with the plan rules, employers must provide the Pension Corporation with complete, accurate and timely enrolment information about members. This is necessary for us to properly administer the plan in accordance with the *Pension Benefits Standards Act* (PBSA).

The Pension Corporation sends *Welcome to the Plan* enrolment packages to new plan members whom you have enrolled in the plan. Sometimes, these packages are returned to us by Canada Post because of an incorrect address. Twice a month, the returned packages will be bundled and sent to you. You must distribute the returned packages to the respective employees and provide us with their correct addresses.

You can update employee contact information using the Plan Member Record (PMR) Electronic Form or any of the other electronic methods detailed in section 7.5.

1.1.6 Once a contributor, always a contributor

Once a contributor,
always a contributor.

Once an employee begins to contribute to the plan, they must continue to contribute regardless of any change in their employment status (full time to teacher on call). Note that if a member is on:

- vacation,
- approved leaves of absence (including sick leave),
- periods while in receipt of a benefit under an LTD plan, or
- layoffs while retaining seniority under a collective agreement and has made a contribution within 6 months,

this does not constitute a termination of employment for pension plan purposes.

1.1.7 Concurrent employment

If a member works for you in more than one position covered by the plan and accrues more than a year of pensionable service in a calendar year, you must report all pensionable service, including service in excess of 10 months (or 12 months for a 12-month employee). Do not stop deducting contributions once the member has accrued one year of service. The plan will cap service at one year. Member and employer contributions related to pensionable service that exceed 10 (12) months will not be refunded. All pensionable salaries earned by the member in the calendar year will be retained for highest average salary (HAS) calculation.

1.1.8 Plan Member Record (PMR)

You must complete and submit Plan Member Record information electronically within 30 days of enrolment for every employee who becomes eligible and begins contributing to the pension plan. Plan Member Records must be submitted electronically through our secure employer site at tpp.pensionsbc.ca. Please see section 7.5.1, Reporting Plan Member Record information, for more information about submitting your PMRs.

A PMR (as well as a *Pension Enrolment Election* form and a copy of the *Waiver of Pension Coverage* form) must be completed and submitted for a member who previously waived their right to contribute and has now asked to be enrolled.

Occasionally, you may have an employee who is eligible and contributes to two different pension plans within your organization. (This can happen if you have an employee who works at two jobs covered by different pension plans, such as Teachers' and Municipal pension plans). In this event, you will need to apply the appropriate plan's enrolment rules (i.e., service in the plan would not be used to determine eligibility for enrolment in the Municipal plan, and vice versa). Submit separate PMRs for the employee's enrolment in each of the pension plans.

If you are enrolling a group of employees, you have the option of using a report instead of submitting an individual PMR for each employee. Please see section 7.5.1, Reporting Plan Member Record information, for more information.

1.1.9 Member Validation tool

The Member Validation tool is available through the *Plan Member Record (PMR) Electronic Form* on the secure employer section of the website at [tpp.pensionsbc.ca](http://pensionsbc.ca). By entering the employee's SIN, you can check if a new employee is already an active pension plan member through another plan employer.

Make sure you are using the correct pension plan's PMR Electronic Form for the employee you are enrolling. This is important for employers dealing with multiple pension plans.

1.1.10 Enrollment Report tool

The Enrollment Report tool is now available through the Employer portal. Click *Employer Reporting* along the dashboard, go to *Plan Member Record*, then under actions click *Enrollment Report*. Enter any start and end date parameters, going as far back as the organization's effective date with the Plan, to generate a historical list of active and terminated employees (who have not taken a benefit) with the organization. You can also filter the columns of data to suit your needs.

1.1.11 Employee “declaration of employment”

To avoid a possible arrears situation, employers should provide plan information to employees when they are hired so they can determine when they might qualify for membership. It is strongly recommended that all new hires—full-time, part-time, auxiliary or casual—be required to sign a declaration indicating that the employee understands their responsibility to inform the employer should they qualify for plan membership through service with another plan employer.

To collect this employee information and signature, you may wish to create a form such as the one below.

Employee “declaration of employment”

1. Are you currently an active member of the plan? An active member can be on a leave of absence, long term disability, or on a recall list. You do not have to be currently contributing to be considered an active member. Y/N
2. Have you been in the last 30 days? Y/N
3. Are you currently receiving a retirement benefit from the plan? Y/N
4. I have been provided with an explanation or summary of the pension plan, and of the relevant entitlements and obligations under the pension plan. Y/N
5. I understand how I may combine service and earnings with more than one plan employer to qualify for membership in the plan. Y/N
6. I understand that I must inform my employer if I begin contributions with another Teachers’ Pension Plan employer. If I do not inform my employer, enrolment arrears will be billed to me and my employer. I understand I have five years from receiving the notice of arrears or until termination of employment (whichever is earlier) to apply to purchase the arrears period. Ten-month teachers have until September 30 to apply for pensions effective July 1; as long as the member has not terminated their position with the school district, they can apply to purchase service. Y/N

Name (please print) _____

Signature _____ Date _____

1.2 Nomination of beneficiary

When enrolling an employee, you should provide information about pre-retirement death benefits. The plan pays benefits to a plan member’s beneficiary(ies) when the member dies prior to receiving a benefit from the plan. Known as a “pre-retirement death benefit,” the benefit is payable to the beneficiary(ies) of a member who dies:

- while an active plan member, or
- after terminating employment but before having received a benefit from the plan (i.e., does not take a termination benefit and has not started receiving a retirement benefit).

See section 5 for more information on pre-retirement death benefits.

With a spouse

If the plan member has a spouse, the spouse is automatically the member's beneficiary. The plan member does not have to complete a *Nomination of Beneficiary*.

A member's spouse can waive entitlement to the pre-retirement death benefit by completing and filing a *Spouse's Waiver of Beneficiary Right to Benefits in a Pension Plan, Locked-in Retirement Account, Life Income Fund or Annuity Before Payments Start*. If this is done, the member can then designate another beneficiary(ies).

Without a spouse

Members without a spouse (or a spouse who waives entitlement by completing a *Spouse's Waiver of Beneficiary Right to Benefits in a Pension Plan, Locked-in Retirement Account, Life Income Fund or Annuity Before Payments Start* or who have a separation agreement, a divorce decree or court order) can nominate:

- a person other than the member's spouse,
- a trust,
- an organization such as a charity or society, or
- the member's estate.

A member can nominate multiple beneficiaries with designated shares, and alternates. For more information, see tpp.pensionsbc.ca/beneficiaries.

Members can add or change beneficiary(ies) at any time prior to death, through My Account or by calling and requesting a *Nomination of Beneficiary* form.

If we haven't received any beneficiary information, and the member has no spouse (or the spouse has waived entitlement), the benefit will be paid to the member's estate.

For more information, see tpp.pensionsbc.ca/beneficiaries-and-your-pension.

1.3 Proof of age and identity

Before receiving a benefit, a plan member must supply the Pension Corporation with proof of age and identity documents. Any spouse or person beneficiary who receives a benefit must provide proof of age and identity as well. A CRA number must be provided for an organization beneficiary.

These documents can be provided at any time prior to receiving a benefit, but we recommend that they be provided at the time of enrolment for the member and the member's spouse. Members can sign in to My Account and upload their proof of age and identity documents.

If documents are in a foreign language, translation may be required. The cost of translation is the member's responsibility. The translator must not be a member of the member's family and must sign and date the translated document.

Providing the documents

Members can sign in to My Account and upload their proof of age and identity documents. Clear and legible copies of original documents must be provided. Both physical and electronic copies are acceptable.

Note that foreign passports and driver's licences must be certified true copies.

Original documents must not be submitted because of the risk of loss or damage and the cost of returning the documents by registered mail.

A clear, legible copy of one of these documents is acceptable:

- current Canadian driver's licence
- *BC Driver's Licence and Services Card*
- BC identification card
- *BC Services Card*
- Birth certificate
- Canada Border Services Agency Nexus membership card
- Canadian passport (must be valid and unexpired)
- Canadian citizenship or immigration papers
- Certificate of Indian Status card

- Certificate of Registration of Birth Abroad (RBA)—
document issued by Citizenship and Immigration Canada to Canadian Parents of children born abroad between 1947 and 1977
- Marriage certificate (if the date of birth is recorded on the document)
- Ontario Health Card
- Permanent Resident Card (PRC) (must be valid and unexpired)
- **Foreign passport or driver's licence** (must be a certified true copy of a valid, unexpired document)

If the member's name has changed, we require a clear copy of one of the above documents showing the member's current name, or all of their legal change of name documents or marriage certificate(s).

Contact us for acceptable alternative documents if the member's original documents are unavailable. There will be a delay in processing the member's benefit if their forms are not completed fully or if documents are missing.

1.4 Enrolment checklist

Enrolment checklist

Remember to...

- ☒ Provide your employee with access to a copy of *A Guide for Plan Members* (available on the web at tpp.pensionsbc.ca/guide-for-plan-members).
- ☒ Ask your employee if they are already retired and receiving a Teachers' retirement benefit.
- ☒ Complete and submit plan member record information electronically within 30 days of enrolment.

1.5 Transferring pension rights

If your transferring employee worked for an employer enrolled in one of the following pension plans, you should treat the employee as a new employee and apply the applicable enrolment rules as you would for any new employee:

- BC College Pension Plan
- BC Public Service Pension Plan
- BC Municipal Pension Plan
- School District No. 43 Retirement Plan for non-teaching employees
- WorkSafeBC Pension Plan

If your employee has contributed to another pension plan within Canada, they should contact the Teachers' Pension Plan directly to see if there is a transfer agreement in place between the two plans. See section 2.9, Pension Transfer Agreements, for more information.

1.6 Enrolment in the wrong pension plan

A number of employers who participate in pension plans administered by the Pension Corporation have membership in more than one pension plan.

Occasionally, an employer may enrol an employee in a pension plan and find out later that the employee should have been enrolled in a different plan. This can happen, for example, when administrative staff who should be enrolled in the Teachers' Pension Plan are instead enrolled in the Municipal Pension Plan.

If this has occurred, please contact Employer Operations.

1.7 Re-employment of retired members

If a retired member—in this case, a person who retired from a plan employer and is receiving a Teachers' retirement benefit—returns to work, they continue receiving their retirement benefit and do not enrol in or contribute to the plan.

If an employee is receiving a retirement benefit from a different pension plan, or is receiving a pension as a survivor of a deceased member, regular plan enrolment rules apply.

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2 PURCHASING SERVICE

Purchasing service means paying for periods of employment that have not been counted as service with the Teachers' Pension Plan. Purchasing service may increase a plan member's benefit.

2.1 Non-contributory service (less than half-time service)

Plan members may be eligible to purchase periods of service when they worked for a plan employer but did not contribute to, or accrue service in, the Teachers' Pension Plan. If a member should have contributed to the plan but did not, there may be arrears owing—see section 2.4.

2.1.1 Eligibility to purchase non-contributory service

Plan members may purchase their less than half-time service with a plan employer if:

- they became an active member on or after April 1, 2002, and apply to purchase within five years of the date of becoming an active member, or within 30 days of termination of employment with all plan employers, whichever is earlier, and
- the member did not contribute to the plan.

Plan members may not purchase as non-contributory service:

- time during which they were not employed,
- a period of time during which they were employed with an employer other than a plan employer,
- time with the employer in a position covered by another BC public sector plan,
- service on or after January 1, 1993 for which the member waived enrolment,
- service to bring part-time employment up to full-time,
- a period during which the member contributed to another registered pension plan, or
- service which would cause the member's pensionable service to exceed 10 months in a calendar year for a 10-month employee (or 12 months for a 12-month employee).

2.1.2 Deadlines to purchase non-contributory service

There is a deadline applied to purchases of non-contributory service:

- A person who becomes an active member on or after April 1, 2002, must apply to purchase a period of non-contributory service within five years from the date of enrolment in the plan, or within 30 days of termination of employment with all plan employers, whichever occurs first.
- The employer must then complete and submit the member's purchase application to us within 30 days of receiving the application.

2.1.3 Cost to purchase non-contributory service

The plan member is responsible for the total cost, unless the employer is willing to enter into a cost-sharing arrangement with the member.

Current salary and current contribution cost method

The current salary and current contribution cost method is used for purchases where the employee's position was covered by the plan.

The cost to purchase is determined by calculating the employee and employer contributions required for the amount of pensionable service to be purchased, using the plan's current employee and employer contribution rates and the member's current pensionable salary.

2.2 Leave of absence (LOA)

Plan members enrolled prior to taking a leave of absence may be eligible to apply to purchase that leave. There are two main categories of leave:

- *Employment Standards Act (ESA)* provided leaves where the purchase of service is required to be cost-shared between employer and member:
 - Maternity
 - Parental
 - Family responsibility
 - Compassionate care

- Disappearance of a child
- Death of a child
- Bereavement
- Jury duty
- Critical illness or injury leave
- COVID-19-related leave
- Personal illness or injury leave
- Domestic or sexual violence leave
- General leaves where member is responsible for the full cost of purchasing service.

2.2.1 Employment Standard Act LOA timeframes

Refer to the following Purchase of Service table for clarification of leave limits applied per purchase type.

PURCHASE TYPE	LEAVE LIMITS	IMPORTANT DETAILS
In the event of a discrepancy between this table and the <i>Employment Standards Act</i> (ESA) or Income Tax Act Regulations (ITAR), the ESA or ITAR shall prevail.		The Income Tax Act Regulations (ITAR) states purchase leave maximums. *5 years, **3 years
General leave	Based on ER approval.	For a reason other than as listed under the ESA or in excess of ESA limits. Cannot apply to purchase until leave has ended. *5 year ITAR maximum applies
Maternity leave	Pregnant employees can take up to 17 consecutive weeks, beginning no earlier than 13 weeks before the child's expected due date. Employees can also take up to 6 consecutive weeks following a termination of pregnancy, commencing the day the pregnancy ends. If complications following birth or termination of pregnancy prevent the employee from returning to work, the leave can be extended an additional 6 weeks.	**3 years ITAR maximum applies (1 year per child) *5 year ITAR maximum applies (for portions of the leave not covered by the 3 year ITAR maximum)

PURCHASE TYPE	LEAVE LIMITS	IMPORTANT DETAILS
Parental/adoptive leave	<p>Birth parent: If maternity leave is also taken, up to 61 weeks which must begin immediately after the maternity leave ends.</p> <p>Non-birth/adoptive parent: Up to 62 consecutive weeks, which must begin within 78 weeks of the child's birth or, in the case of adoption, within 78 weeks of placement of the child with the adoptive parent.</p> <p>Can have an additional 5 consecutive weeks if the child has any condition which requires an additional period of parental care, beginning immediately after the end of the original entitlement.</p>	<p>**3 year ITAR maximum applies (1 year per child)</p> <p>*5 year ITAR maximum applies (for portions of the leave not covered by the 3 year ITAR maximum)</p>
Compassionate care leave	Up to 27 weeks within a 52 week period (can be taken in units of one or more weeks).	<p>To provide care or support to a family member with a significant risk of death within 26 weeks.</p> <p>*5 year ITAR maximum applies</p>
COVID-19-related leave	Employee is entitled to unpaid leave for as long as any of the ESA-prescribed circumstances apply to that employee. See Section 2.2.1.7 of this instruction manual.	<p>This leave is a temporary measure and is expected to be repealed and removed from the ESA when no longer needed.</p> <p>*5 year ITAR maximum applies</p>
Leave respecting the disappearance of a child (up to 19 years of age)	Up to 52 weeks beginning on the date of the child's disappearance (can be taken in one unit of time or, with the employer's consent, more than one unit of time).	<p>The child's disappearance must be the result of a crime (e.g., a kidnapping).</p> <p>*5 year ITAR maximum applies</p>
Leave respecting the death of a child (up to 19 years of age)	Up to 104 weeks beginning on the date of the child's death (or is found dead if prior disappearance). The leave can be taken in one unit of time or, with the employer's consent, more than one unit of time.	*5 year ITAR maximum applies
Critical illness or injury leave	Up to 36 weeks (to care for a family member under 19 years of age) or 16 weeks (to care for a family member 19 years of year or older) within a 52 week period (can be taken in units of one or more weeks).	<p>To provide care or support for a family member whose life is at risk due to illness or injury.</p> <p>*5 year ITAR maximum applies</p>
Leave respecting domestic or sexual violence	Up to 5 days paid leave in one or more units of time, plus up to 5 days unpaid leave in one or more units of time, plus an additional 15 weeks unpaid leave taken in one unit or time, or more than one unit of time with the employer's consent.	<p>For prescribed purposes for the employee, or the employee's child or dependent. See Section 2.2.1.9 of this instruction manual for calculating an average day's pay for the paid portion.</p> <p>*5 year ITAR maximum applies</p>

PURCHASE TYPE	LEAVE LIMITS	IMPORTANT DETAILS
Personal illness and injury leave	Up to 5 paid days and 3 unpaid days per calendar year.	Applies to employees who have worked for their employer for at least 90 days. Both paid and unpaid leave resets every January 1. Unused days from one calendar year do not carry forward to the next. These are minimum requirements that apply even if a collective agreement contains provisions that meet or exceed these requirements. *5 year ITAR maximum applies
Family Responsibility Leave	Up to 5 days off each employment year.	Responsibilities related to care, health, or education of a child in the employee's care or immediate family. Employment year is based on the employee's starting date. Unused leave does not roll over to subsequent years. *5 year ITAR maximum applies
Bereavement Leave	Up to 3 days off.	When a death in the employee's immediate family (including adult child). *5 year ITAR maximum applies
Jury Duty	Employee is entitled to leave for as long as necessary to attend court as a juror. It is an unpaid leave, unless the employer and employee agree otherwise.	*5 year ITAR maximum applies

For more information about these leaves, please see [Government of British Columbia Leave of Absence](#).

2.2.1.1 Maternity Leave

As of May 17, 2018: a pregnant employee is entitled to up to 17 consecutive weeks of leave beginning no earlier than 13 weeks before the expected birth date, and no later than the actual birth date.

An employee is also entitled to maternity leave following the termination of the pregnancy to a maximum of 6 weeks starting on the date the pregnancy was terminated. **Note:** if an employee is already on maternity leave prior to the pregnancy terminating, they remain entitled to 17 weeks from the original start date of the leave.

An employee is also entitled to up to 6 additional consecutive weeks if, for reasons related to the birth or the termination of pregnancy, they are unable to return to work when their leave ends.

Prior to May 17, 2018 the same provisions apply, except: leave can begin no earlier than 11 weeks before the expected birth date.

Transitional provisions: While transitional provisions exist for this leave, they do not impact purchase of service. The maximum duration of this leave is 17 weeks both before and after the 2018 ESA amendments.

2.2.1.2 Parental Leave

Birth parent as of May 17, 2018:

A birth parent who has taken maternity leave is entitled to up to 61 consecutive weeks beginning immediately after the maternity leave ends (unless employer approves otherwise).

- A birth parent who does not take maternity leave is entitled to up to 62 consecutive weeks which must begin within 78 weeks of the date of birth.
- If the child has a physical, psychological or emotional condition requiring an additional period of parental care, the birth parent is entitled to up to an additional five consecutive weeks beginning immediately after the end of the original entitlement.
- A leave that extends beyond the 61 or 62 weeks (plus additional five weeks, if applicable) may be purchased as a general leave.

It is the employer's responsibility to verify the leave period. The plan member must provide you with the birth certificate or adoption papers to verify the birth date. The plan does not need to see these documents.

Birth parent prior to May 17, 2018 the same provisions apply, except:

- A birth parent who has taken maternity leave is entitled to up to 35 consecutive weeks beginning immediately after the maternity leave ends (unless employer approves otherwise).
- A birth parent who does not take maternity leave is entitled to up to 37 consecutive weeks which must begin within 52 weeks of the date of birth.
- A leave that extends beyond the 35 or 37 weeks (plus additional five weeks, if applicable) may be purchased as general leave.

Birth parent transitional provisions: If the child was born or placed with the adopted parent on or after December 3, 2017, the May 17, 2018 provisions apply to the leave.

Adoptive parent as of May 17, 2018:

- An adoptive parent is entitled to up to 62 consecutive weeks beginning within 78 weeks after the child is placed with the parent.
- If the child has a physical, psychological or emotional condition requiring an additional period of parental care, the adoptive parent is entitled to up to an additional five consecutive weeks beginning immediately after the end of the original entitlement.
- A leave that extends beyond the 62 weeks (plus additional five weeks, if applicable) may be purchased as general leave.

Prior to May 17, 2018 the same provisions apply, except:

- An adoptive parent is entitled to up to 37 consecutive weeks beginning within 52 weeks after the child is placed with the parent.
- A leave that extends beyond the 35 or 37 weeks (plus additional five weeks, if applicable) may be purchased as a general leave.

Transitional provisions: If the child was born or placed with the adopted parent on or after December 3, 2017, the May 17, 2018 provisions apply to the leave.

2.2.1.3 Compassionate care leave

As of May 17, 2018: up to 27 weeks within a 52 week period (can be taken in units of one or more weeks within this period) to care for a family member if a medical or nurse practitioner issues a certificate stating the family member has a serious medical condition with a significant risk of death within 26 weeks.

If the family member does not die within the original 52 week period, another period of leave may be granted upon obtaining a new medical certificate.

Certificate must be submitted to employer.

Prior to May 17, 2018 the same provisions apply, except: up to 8 weeks within a 26 week period (can be taken in units of one or more weeks within this period) to care for a family member if a medical practitioner or nurse practitioner issues a certificate stating the family member as a serious medical condition with a significant risk of death within 26 weeks.

If the family member does not die within the original 26 week period, another period of leave may be granted upon obtaining a new medical certificate.

Transitional provisions: if, on May 17, 2018, an employee:

- is currently on compassionate care leave,
- has requested, but not yet begun, compassionate care leave,

or

- has taken compassionate care leave (i.e., has used the previous eight weeks' maximum) and less than 52 weeks have elapsed since the leave began,

and

- the family member is still alive,

the employee is entitled to up to 27 weeks of leave, minus any leave already taken, to be taken within a period ending 52 weeks after the original start date of the leave. A new medical certificate is not required within this period.

2.2.1.4 Disappearance of a child (up to 19 years of age)

If an employee's child disappears and it is probable the disappearance is the result of a crime, the employee is entitled to a maximum of 52 weeks in the period beginning on date of child's disappearance and ending on the date that is 53 weeks after disappearance.

Leave may be taken in one unit of time, or multiple units of time with employer's consent and may end earlier if:

- the child is found;
- circumstances indicate it is no longer probable the disappearance is the result of a crime;
- employee is charged with a crime related to the disappearance;
- employer withdraws their consent to have the leave be taken in multiple units of time.

2.2.1.5 Death of a child (up to 19 years of age)

A maximum of 104 weeks that must be taken in the period beginning on the day the child dies or (in the case of a prior disappearance) is found dead, and ends 105 weeks after date of death.

Leave may be taken in one unit of time, or multiple units of time with the employer's consent and may end earlier if employee is charged with a crime that resulted in the death, or the employer withdraws their consent to have the leave be taken in multiple units of time.

2.2.1.6 Critical illness or injury leave

As of May 30, 2019, an employee may take up to 36 weeks of leave to provide care or support for a critically ill or injured family member, provided the family member is under 19 years of age. If the family member is 19 years of age or older, the employee may take up to 16 weeks of leave. This leave must be taken in multiple blocks of one or more weeks and requires a certificate from a medical or nurse practitioner for every 52-week period.

2.2.1.7 COVID-19-related leave

An employee can take unpaid, job-protected leave related to COVID-19 if they're unable to work for any of the following reasons:

- they have been diagnosed with COVID-19 and are following the instructions of a medical health officer or the advice of a doctor or nurse;*
- they are in quarantine or self-isolation and are acting in accordance with an order of the provincial health officer, an order made under the *Quarantine Act* (Canada), guidelines from the BC Centre for Disease Control or guidelines from the Public Health Agency of Canada;*
- the employer has directed them not to work due to concern about their exposure to others;*
- they need to provide care to an eligible person (i.e., their minor child or a dependent adult who is their child, former foster child, or other person who may be prescribed in the future**), for a reason related to COVID-19, including a school, daycare or similar facility closure;

* Between May 20, 2021 and December 31, 2021, an employee who takes COVID-19-related leave for these reasons may be entitled to up to three days of paid leave in accordance with section 52.121 of the ESA.

** Effective from April 1, 2021 onward, an eligible person also includes a member of the employee's immediate family or a family member identified in section 2 (a) or (b) of the Family Member Regulation, or a person who requires care and who is considered like a close relative (whether related to the employee or not).

- they are outside of BC and unable to return to work due to travel or border restrictions;
- other situations that may be prescribed in the future;

Effective from April 1, 2021 onward, an employee may also request and receive COVID-19-related leave for any of the following additional reasons:

- they are more susceptible to COVID-19 in the opinion of a medical professional because of an underlying health condition, ongoing treatment, or other illness, and are receiving the Canada Recovery Sickness Benefit for the leave;
- they are getting a COVID-19 vaccine (an employee may also be entitled to up to three hours of paid leave for COVID-19 vaccination in accordance with section 52.13 of the BC ESA);
- they are assisting a dependant to get a COVID-19 vaccine, i.e., a child, a dependant adult to whom the employee is a parent or former guardian, a member of the employee's immediate family, a family member identified in section 2 (a) or (b) of the Family Member Regulation, or another person who requires care and is considered like a close relative (whether related to the employee or not), and who is under the day-to-day care of the employee.

Unless otherwise noted, COVID-19-related leave is retroactive to January 27, 2020, the date of British Columbia's first presumptive case of COVID-19. An employee can take this job protected leave for the reasons above as long as they need it, without putting their job at risk. Once it is no longer needed, this leave will be removed from the *Employment Standards Act*.

2.2.1.8 Personal illness or injury leave

An employee can take up to five days paid and three days unpaid, job-protected leave per calendar year if they cannot work due to personal illness or injury (i.e., sick leave). For paid days, employees must be paid at least an average day's pay (using the same formula as in section 2.2.1.9).

This leave applies to employees who have worked for their employer for at least 90 days. Both paid and unpaid leave resets every January 1. Unused days from one calendar year do not carry forward to the next. These are minimum requirements

that apply even if a collective agreement contains provisions that meet or exceed these requirements.

2.2.1.9 Domestic or sexual violence leave

As of August 14, 2020, an employee may take the following leave each calendar year, if the employee or an individual who is in the daily care of the employee (i.e., child or other person) has experienced or is experiencing domestic or sexual violence:

- up to five days of paid leave in one or more units of time (see 2.1.3.2 Leave of Absence with full salary below),
- up to five days of unpaid leave in one or more units of time, and
- an additional 15 weeks unpaid leave taken in one unit of time, or more than one unit of time with the employer's consent

Prior to August 14, 2020, the same provisions apply, except:

- up to 10 days of unpaid leave taken in blocks of one or more days, or in one continuous period, and up to 15 weeks of unpaid leave taken in one block of time, or more than one block of time with your consent.

There is a new formula for calculating the amount owed to the employee during this leave.

- This calculation should be based on days in which wages were earned during the calendar days before the leave started.
- All wages are to be included, including salary, stat holiday pay, and paid vacations; however, overtime is excluded.

EXAMPLE

Calculation formula

$$\text{an average day's pay} = \frac{\text{amount paid (in previous 30 calendar days)}}{\text{number of days in which wages were earned (in previous 30 calendar days)}}$$

The result of the above calculation is then multiplied by the amount of paid days taken under this leave.

2.2.2 Remind your employees of purchase opportunities

Please discuss purchase of service opportunities with your employees when you grant leaves, when your employees return from leaves, and before your employees terminate their employment with you. In this way, you can help ensure plan members do not miss an opportunity to increase their service in the plan.

Some things to point out to your employees:

- There are deadlines to apply for a purchase of service: see 2.2.6 Deadlines to purchase leave.
- For *Employment Standard Act* (ESA) provided leaves such as maternity, parental and loss of a child, the cost of purchasing leave is shared between employee and employer
- There is no cost to increase contributory service by claiming credit for child-rearing time.
- Plan members can use our online estimator to do a pension or purchase cost estimate to find out if it's in their best interest to purchase service. The personalized purchase cost estimator allows members to assess the cost to purchase service and the impact on the pension, based on their chosen retirement date.
- Plan members who terminate employment and later return to work with another school district are eligible to purchase service from the prior district, provided they apply within the deadlines.
- Information about purchasing service is available to members on the plan's website at tpp.pensionsbc.ca/taking-time-offwork-and-buying-service.

2.2.3 Eligibility for purchasing ESA provided leave

- Members may purchase pregnancy/maternity leaves and/or parental leaves that end on or after April 1, 2002. Only birth mothers are eligible to purchase pregnancy/maternity leaves. Birth and adoptive mothers and fathers are eligible to purchase parental leave.
- You must verify the leave period and ensure Employment Standards Act requirements in effect at the time of the requested period of service are met. For example: only birth mothers are eligible for maternity leave; birth and adoptive parents are eligible for parental leave.

- Certain ESA leaves require the employer (or allow the employer to request) certain documentation (e.g., a birth certificate, adoption papers or medical certificate)—the plan does not need to see this documentation.
- If a member chooses to pay for the employee portion of an ESA-provided leave, the employer is required to pay for the employer portion of the leave cost.
- If a leave of absence extends beyond the maximum provided in the ESA, the additional leave may be purchased as general leave.
- Upon application, a member may choose to continue to make pension contributions while on an ESA leave.

2.2.4 General leave

General leave is any leave where the ESA does not require the employer to share the cost of purchasing the leave. A member may purchase a general leave that ended on or after April 1, 2002.

2.2.4.1 Full and partial leave

The calculation of service and salary and the leave cost depends in part on whether the member receives full, partial or no salary during the leave period.

2.2.4.2 Leave of absence with full salary

When a member is on a leave and continues to receive full salary, both you and the plan member continue to contribute to the plan, and pensionable and contributory service are credited in the normal manner. There is no purchase of service available or required in these situations. From the pension plan's perspective, it's as if the member continued to work during that time.

2.2.4.3 Leave of absence with partial salary

Plan members who take a leave of absence with partial pay may be eligible to purchase the difference between the service they would have received if paid their normal salary and the amount of service they were actually credited with based on the salary they were paid while on leave.

2.2.4.4 *Periods of reduced pay*

Plan members may be able to purchase periods of reduced pay that began after March 31, 2008. Canada Revenue Agency (CRA) defines a “period of reduced pay” as a period of employment during which the member works less than their regular assignment while retaining the right to their regular assignment and may include job sharing.

Members may be eligible to purchase the difference between the normal, full assignment and the amount actually worked, subject to the following CRA rules:

- the plan member must have been employed by you for not less than three years,
- only periods of reduced pay after the three-year requirement is met are eligible, and
- the plan member must have worked at the full assignment at some time during their employment with you prior to the leave period and not given up their right to the full assignment.

Note: For 2020 and 2021 only, the 36-month requirement does not apply. Members who worked at less than their full assignment in 2020 and 2021 may be eligible to purchase service regardless of the length of time they have been employed. If members qualified for a period of reduced pay under the relaxed eligibility requirements during this time but have since terminated employment or retired, they may still be able to purchase service. Members and employers can contact the plan for more information.

If the full assignment for the plan member is less than 100 per cent full-time, the plan member may purchase only that portion needed to bring it up to the plan member’s full assignment, not to full-time.

Periods of reduced pay will be structured in one-year increments so there is a clear deadline within which the member may purchase the service. A period of reduced pay that exceeds 12 months is considered as a consecutive series of 12-month periods. In cases where the period of reduced pay cannot be segmented evenly into 12-month periods, the shorter period will be the most recent.

The plan member must apply to purchase a period of reduced pay within five years of the end of the period or termination of employment, if earlier.

2.2.4.5 *Periods of time on the recall list*

Members may apply to purchase periods of lay-off service as a general leave of absence if they were:

- laid off and placed on a recall list,
- on a continuing contract or had seniority rights at the time of layoff and were eligible and elected to be placed on the recall list, or
- on a temporary contract and were laid off prior to the expiration of the contract, and were eligible and elected to be placed on the recall list.

In this case the member can apply to purchase the remaining months of the term of the temporary contract.

2.2.5 Sample wording for leave letters

Please include one of the following paragraphs in the letters you send to members when granting leaves:

2.2.5.1 *Leave with full pay*

Your leave is with full pay. While you are on leave, your contributions to the pension plan will continue and you will be credited with pensionable service as if you had continued to work.

2.2.5.2 *Leave with partial pay*

Your leave is with partial pay. While you are on leave, your contributions to the plan and pensionable service will be reduced in proportion to your salary. For example, if you receive half your regular pay during a leave, you accumulate half the pensionable service.

You may improve your benefit by purchasing the pensionable service you were not credited with. The deadline to apply to purchase this service is the earlier of five years from the end of the leave, or 30 days from the date you terminate employment with all plan employers. See the plan's website at tpp.pensionsbc.ca for more information.

2.2.5.3 Leave without pay

Your leave is without pay. While you are on leave, you will not make contributions to the plan and you will not be credited with contributory or pensionable service.

You may improve your retirement benefit by purchasing the pensionable service you were not credited with. The deadline to apply to purchase this service is the earlier of five years from the end of the leave, or 30 days from the date you terminate employment with all plan employers. See the plan's website at tpp.pensionsbc.ca/taking-time-off-work-and-buying-service for more information.

All leave types

The plan allows members to purchase annual portions of leaves that exceed one year in length.

If the purchase would cause their pensionable service to exceed 10(12) months in a calendar year, only the amount of leave up to the maximum can be purchased. Additionally, the plan member's pensionable service cannot exceed the three- or five-year maximum purchase limits prescribed by CRA.

If plan members wish to purchase a leave of absence for a period during which they contributed to a registered pension plan with any other employer, some restrictions may apply. Contact the plan for more information.

If a plan member chooses to continue to make contributions while on a ESA leave, but then stops making those contributions before the leave period has elapsed, only the leave period already purchased is credited.

2.2.6 Deadlines to purchase leaves

There is a deadline applied to purchases of leaves of absence.

- Members must apply to purchase a leave within 30 days of termination of employment with all plan employers and within five years of the end of the leave period they are purchasing.

If a member chooses to continue to contribute during an ESA leave, they must apply to do so within 30 days of the leave start date. If the member misses this 30 day deadline, they are still eligible to apply at the end of the leave and make a lump sum payment.

- The employer must then complete and submit the member's purchase application to us within 30 days of receiving the application. If the member indicates they wish to continue to contribute during the leave, the employer must submit application form copies to us monthly.
- Termination of active membership means the cessation of employment with plan employers. Termination of current employment refers to cessation of employment with the member's existing employer. For those covered by a collective agreement and who have seniority rights, termination of active membership doesn't occur until the date that seniority rights cease, or 6 months after the member stops working, whichever comes first.

The member is not required to return to work after the leave, but must have been an active member within 30 days to apply to purchase. This means that if a plan member is not going to return to work after a leave, they must apply while on leave or within 30 days of the end of the leave in order to be eligible to purchase.

2.2.7 Cost to purchase leaves

The cost to purchase any leave of absence is calculated using the "Current Salary and Current Contribution" cost method. Under this cost method, the cost to purchase is based on the plan member's current full-time equivalent salary, multiplied by the length of the leave period, multiplied by:

"Current" means at the time of application to purchase.

- the current employee contribution rate—this applies to pregnancy/maternity, parental/adoption and leaves covered under the *Employment Standards Act*, or
- the current employee and employer contribution rates—this applies to general leaves.

If a member chooses to pay for the employee portion of a pregnancy/maternity, parental, adoption, and any leave covered under the *Employment Standards Act*, the employer who granted the leave is required to pay for the employer portion of the leave cost. The plan member is responsible for the full cost of all other leaves, unless the employer is willing to share the cost. Exception: Employers do not pay a share of Reservists' Leave.

Once a member's leave has ended, they can generate an estimate of the cost to purchase service by signing into My Account and accessing the personalized purchase cost estimator. If a member is on leave the personalized cost estimator will not be available but they may use the fillable PDF located at tpp.pensionsbc.ca/submit-a-form-to-buy-service. Not available for continuous contribution.

2.3 Arrears

Arrears occur when a plan member and the employer should have made contributions to the pension plan, but did not. If you are aware of an arrears situation for one of your employees, you should notify the employee and submit an application form on behalf of the employee. There are two types of arrears: enrolment arrears and payroll arrears.

2.3.1 Eligibility to purchase arrears

Enrolment arrears

Payment of enrolment arrears is optional for plan members.

Enrolment arrears occur when:

- a plan member, for whom enrolment in the plan is mandatory, does not start making contributions when required,
- a plan member whose enrolment was optional, does not complete a written waiver to opt out of the pension plan and does not commence contributions, or
- a plan member, whose enrolment is optional, elects to enrol but does not start making contributions from the date of election.

Payroll arrears

Payment of payroll arrears is mandatory for both employers and plan members.

Payroll arrears occur when an employer has not made deductions for a plan member. This can happen when the employer has:

- not made the required deductions on salary paid during a partially-paid leave of absence,
- failed to resume deductions when an employee, after a period of time when deductions were discontinued, should have started contributing again (for example, after a pregnancy/maternity leave), or

- for any reason does not make the required deductions and does not remit the required contributions for an active plan member (for example, there is a problem with your payroll system).

Payment of payroll arrears is mandatory for both you and the plan member. They must be paid on receipt of the *Statement of Cost*. It is your responsibility to remit the required employee and employer contributions, and collect the employee contributions from the plan member.

Less than half-time employees or casual employees

If this category of employee worked half-time or more in any pay period, this is a period of enrolment arrears.

For periods when they worked less than half-time, members may be able to purchase this service under the arrears rules if:

Their service occurred prior to January 1, 1993, and:

- they worked more than half-time in any pay period,
- they were working for a plan employer,
- they were eligible to join the plan during the period in question,
- they subsequently became a member of the plan and are currently an active member,
- they wish to have their period of less than half-time service treated as arrears,
- they have documentation establishing that their employer advised them that they could not join the plan, and
- they did not waive, in writing, their right to join the plan.

Or

Their service occurred on or after January 1, 1993, and:

- they were employed by a plan employer for the period in question,
- they subsequently became a member of the plan and are currently an active member,
- they wish the period to be treated as arrears,
- they did not waive, in writing, their right to join the plan.

2.3.2 Deadlines to purchase arrears

Termination of active membership means the cessation of employment with all plan employers. Termination of current employment refers to cessation of employment with the member's existing employer.

There is a deadline applied to purchases of enrolment arrears.

- Active members who received their first notice of arrears on or after April 1, 2002 must apply for an updated cost within five years of the date the arrears notice was sent, or within 30 days of termination of employment with all plan employers, whichever occurs first.
- The employer must then complete and submit the member's purchase application to us within 30 days of receiving the application.

2.3.3 Cost to purchase arrears

The cost to purchase arrears is calculated using the "Current Salary and Current Contribution" cost method. Under this cost method, the cost to purchase is determined by calculating the employee and employer contributions required for the amount of pensionable service to be purchased, using the plan's current employee and employer contribution rates and the member's current pensionable salary.

2.4 Child-rearing break

Plan members who take time off work to raise their own child may be able to have up to five years of this time recognized as contributory service in the plan.

Unlike purchasing a leave, members do not pay to be credited with child-rearing time. Rather, the time is counted as contributory service as long as the member meets the eligibility requirement (see below). If plan members plan to retire under age 60, additional contributory service from child-rearing time could help them meet the age plus service requirement for an unreduced retirement benefit, or for a lower reduction.

2.4.1 Eligibility for child-rearing time

To qualify for child-rearing time, a plan member must:

- have been an active plan member within 30 days of application,
- accumulate pensionable service in the plan before and after taking time off to raise a child,

- quit work or take an employer-approved full-time leave of absence specifically to raise a child,
- not have accrued entitlement to a benefit under the Canada Pension Plan during the child-rearing period, and
- pay back any refund of contributions they might have taken immediately before the child-rearing period.

A member may be able to use child-rearing time from another province's teachers' pension plan. To qualify, the member must:

- have been a member of another teachers' pension plan in Canada and must have terminated employment or taken a leave of absence for the purpose of child-rearing,
- not have accrued an entitlement under the Canada Pension Plan during the child-rearing period,
- have left their contributions on deposit in the other plan, reinstated the service in the previous plan or transferred the service to the plan under a reciprocal agreement, and
- be vested in the other plan if their service remains in the other plan.

If the member purchases a leave taken for child-rearing under the leave of absence rules, the member will already have contributory service credited for that period, and will not have additional contributory service credited for child-rearing time.

2.5 Applying to purchase service

2.5.1 When is an application form required?

You or your employee must complete Part A. The employee is not required to sign the form.

For leaves, non-contributory service and arrears, plan members cannot apply directly to the pension plan. You must complete a *Purchase of Service Application* form. You or your employee must complete Part A.

You must complete a separate application for each purchase type, with the exception of multiple general leaves of absence requests, which are to be bundled together by school year. We will combine the periods of service and provide one *Statement of Cost* to the plan member.

2.5.2 Members on leave prior to retirement or termination

Remember, plan members must have been active (including being on a leave of absence) within 30 days to apply to purchase service.

When a member is on a leave of absence just prior to retirement or termination, and will not be returning to work, application must be made:

- while on leave or within 30 days of the end of the leave
- no earlier than 30 days prior to the termination of leave

In this case, the member must pay by the due date indicated on the Statement of Cost invoice. Once the due date is past, the member will not be able to purchase the service.

If the retirement benefit is processed before the purchase has been completed, it will be amended as soon as the purchased service is credited to the member's account.

2.5.3 Purchase cost estimates

The member should not forward any funds to the corporation until they have received a final costing from the plan.

The member should calculate an estimated cost and determine the estimated increase to pension prior to submitting the application; you may be asked to assist your employees with estimates. An estimated cost allows members to determine if they wish to proceed with the purchase before making a formal application, and before having you complete the employer portion of the application form.

Plan members can obtain these figures by using the **Online purchase cost estimator**. Members can do their own estimate using the Personalized Purchase Cost Estimator available on our website through My Account. The estimator has been loaded with each member's current information.

Members who haven't registered for My Account can use the self-registration process.

The online purchase cost estimator will provide the member with an approximate cost to purchase service, the estimated increase to their pension if they purchase service, and a payback feature, which lets the member know how many pension payments they need to receive in order to recoup the cost of purchasing service.

Members who use the personalized purchase cost estimator and have decided to proceed with the application may print directly from the estimator. The application form will be populated with the purchase details as entered by the member.

The member should not forward any funds to the corporation based on estimates from the purchase cost estimator or that they have manually calculated. Members can only make payment when they receive a *Statement of Cost* from the plan.

2.5.4 Continuous contributions while on an ESA leave

For ESA leaves commencing on or after May 1, 2020 members will be able to contribute to their pension on a continuing basis during the leave. This opportunity gives members who want to buy service the flexibility to choose the option that best fits them: either pay during a leave under the new rule, or buy service in one payment up to five years after the leave under the current rule.

- Members will have 30 days from the leave start date to apply to make continuous contributions. If this 30 day deadline is missed, members will need to wait until the end of the leave period and then apply to purchase the entire period in a lump sum.
- When a member submits a POS application form requesting continuous contribution within 30 days of the leave start date, the employer will date stamp and photocopy the application and submit a copy to the Pension Corporation each month the member is on an ESA leave.
- The first partial month of leave can be combined with the second full month of leave.
- The POS application provides space for the employer to record several pay periods.
- Subsequent applications should document relevant changes, such as an increase to the member's salary.

2.6 The purchase of service application package

2.6.1 The purchase package overview

The purchase application package has been developed to help the member better understand purchase of service and their role in the purchase process.

2.6.2 Purchase of service information for the member

The *Purchase of Service Application Package* provides answers to questions regarding purchasing service, in addition to a brief description of the types of purchases (arrears, leaves of absence, and non-contributory service) and eligibility.

The *Purchase of Service Application Package* also provides information as to the next steps in the purchase process, such as paying for the purchase and tax considerations.

2.6.3 Reviewing and verifying the purchase application form

It is critical that you verify and submit purchase applications to us without delay when a member applies to make a purchase. Refer to the Purchase of Service table in Section 2.2.1 for details.

When a *Purchase of Service Application* form arrives in your office:

- Ensure that all applications are date stamped on the day they arrive in your office. This date is deemed to be the “Application Received Date” and should be recorded in the corresponding field in Part B. Teachers Pension Plan staff use this date to determine applicable rates to apply to a purchase cost and/or to determine if the application has been received before a pertinent deadline, for example, termination of employment.
- You or your employee must complete Part A of the *Purchase of Service Application* form in its entirety. It is the member’s responsibility to provide you with as much information as possible for the period of service they wish to purchase.
- It is your responsibility to **verify** the information submitted by the employee on the *Purchase of Service Application* form.
- Researching a purchase request will vary case by case. However, you should use your best judgment on how much research time is appropriate, based on individual circumstances.
- Where employment records and periods of service are difficult to verify because records are inaccessible, misplaced or destroyed, consider using the employment verification resources listed in section 2.7.6.1 (you may have to request this information from your employee).

You or your employee must complete Part A. The employee is not required to sign the form.

2.6.4 Current vs. former employer

- It is the employee's responsibility to provide you with proof of their past employment and service by contacting their former employer directly (if they are still in business), or by using supporting documents as listed above.
- The former employer verifies the employment and service and signs Part C of the application form. If unable to verify any of this information, the former employer returns the application to the member and advises them to search for additional supporting documentation.
- If the former employer is no longer in business, the member must supply you with documentation to support their application.
- Once the employment and service have been verified by the former employer, or by the supporting documentation, you must confirm the member's current annual pensionable salary, sign Part B of the application and forward to the plan for processing.

2.6.5 Teacher on call default service

Teachers on call (TOC) who did not contribute to the plan may be eligible to purchase service that occurred before January 1, 1993 even if you no longer have records to verify service. In these cases you have to confirm that the employee was employed for the specified period of service as a TOC. The amount of service available to be purchased when no records are available is as follows:

- For each full year of employment or full year on the TOC list, seven months of contributory service and three months of pensionable service can be purchased.
- For each partial year of employment or on the TOC list, the amount of contributory and pensionable service that can be purchased will be pro-rated.

2.6.6 The purchase application form

2.6.6.1 *Part A—To be completed by you or the plan member*

The member must complete all applicable areas; in some instances members may need assistance to determine the dates and the amount of service eligible for purchase. Keep in mind that the member must exercise due diligence in attempting to find the necessary information before requesting your assistance.

Members must complete the following critical fields:

- Plan member name and address.
- Phone number and email address.
- Type of Purchase—the member can determine purchase types and eligibility by reviewing information at tpp.pensionsbc.ca/taking-time-off-work-and-buying-service.
- Period of Service Applying to Purchase—some members may find it difficult to determine the actual dates for the period of service. In some instances you may assist the member in locating these dates; however, the member must exercise due diligence to find the dates prior to contacting you. If the member applies to purchase only a portion of a longer leave, inform the member that the annual portion would be designated as a separate leave. Once an application to purchase an annual portion of a leave is received by the plan, the portion requested will be treated permanently as a separate leave. Purchase deadlines will then apply to the end of that separate leave.
- If the member applies to purchase an ESA leave within 30 days of the leave commencing, they are eligible to choose the continuous contribution payment method.
- Indicate if member is full or part-time—the member must choose either full-time or part-time. If part-time has been selected, a percentage of full-time employment must be indicated by dividing the actual hours worked in the year by the possible full-time hours in the year.

When confirming the information in Part A, remember the following:

- **Current pension plan:** The member can only purchase service that occurred in their current pension plan.

- **Type of purchase:** The member must complete a separate application for each purchase type, with the exception of multiple general leaves of absence that occur during the same school year, which can be requested on one application. Attach details of dates and service for each leave period or use the service and salary chart in Part B. We will combine the periods of service and provide one statement of cost to the plan member.
- **Pregnancy/maternity, parental, and adoption leaves:** You must view and verify the accuracy and authenticity of any documents related to the child's date of birth (or adoption) prior to signing the application form. The plan does not need to see these documents.
- Indicate if they are full-time or part-time; if part-time, the member will indicate the percentage of full-time employment. The plan will calculate the eligible service based on the start and end dates and the percentage you have given us.

If the purchase period spans more than one year, the purchase must have the service broken down into separate years on the application or on an attachment.

- **Period of service to be purchased:** You can confirm this information by checking your employment records or, if these records are unavailable, you may need your employee to provide you with some information such as:
 - offer of employment letter,
 - leave approval form or letter,
 - historical timesheets,
 - paycheque stubs,
 - copies of T4s,
 - Employment Insurance – Record of Employment,
 - letter from Canada Revenue Agency, or
 - letter from the Canada Pension Plan.
- Once you have sufficient information to be confident in confirming the requested period of service, you must complete Part B.

2.6.6.2 Part B–To be completed by the current employer

By signing the *Purchase of Service Application* form you are indicating that you understand you will be billed for the employer portion, if applicable.

It is your responsibility to provide us with the Current Annual Pensionable Salary (full-time equivalent). This will be the salary the plan will use to determine the cost of the purchase. Pensionable Salary means the base salary received by a member and includes any additional amounts specified by the board.

Section 7 of this manual describes what types of earnings, compensation or pay are pensionable and lists some exclusions.

EXAMPLE

To calculate the Current Annual Pensionable Salary (full-time equivalent):

1. Calculate the percentage of full-time hours worked.
 - If the employee works 30 hours per week (where a full-time employee works 40 hours per week)
 - Then: $30 \text{ hours} \div 40 \text{ hours} = 75 \text{ per cent}$
2. Calculate the full-time equivalent pay period salary.
 - If the employee earned \$2,250 in their last pay period (including any Adds to Pay deemed pensionable in Section 7 Reporting) before applying to purchase service
 - Then: $\$2,250 \div 0.75 = \$3,000$
3. Calculate the full-time equivalent annual salary.
 - \$3,000 divided by the pay period amount 0.4615 (which equals 12 months divided by 26 pay periods) and multiplied by 12
 - Then: $(\$3,000 \div 0.4615) \times 12 = \$78,006.50$

Regular teachers

For regular teachers (including those on leave who are performing TOC work during the leave), the Current Annual Pensionable Salary is the member's full-time annual contracted pensionable salary at the time of application.

Teachers on call

For TOC who do not have a contracted position, the Current Annual Pensionable Salary is the member's daily call-out rate multiplied by the number of days available to work in the calendar year. The daily call out rate is the amount of pay the member is entitled to for working a single day.

Additional Information on Pensionable Salary can be located in Section 7 of this Employer Manual.

Service and Salary chart

For all requests, indicate the amount of pensionable service and salary paid during the purchase period (e.g., Maternity or Parental/Adoption leave top up), and, if applicable, any current year service that has not yet been reported. For continuous contribution leave purchases, display by month or pay cycle, if applicable. Indicate the service to be purchased based on the total service available in the month or pay cycle. If the costing salary amount changes for continuous contribution leave purchases, update the current annual pensionable salary amount for the purchase period

For current year purchase requests you must also provide us with the amount of pensionable service the member has accrued within the purchase of service period.

If the request is for pregnancy/maternity leave you must provide us with the pensionable service the member has accrued as a result of pregnancy/maternity leave top up paid in the purchase period.

We use the current year service information to determine how much service the member is eligible to purchase. Refer to eligibility rules in section 2.1.1.

Authorizing signing officer

By signing Part B, you are confirming the information in Parts A and B, and certifying that the information is true, complete, and correct to the best of your knowledge, based on the purchase eligibility rules for each purchase category. Please refer to purchase eligibility for each type of purchase earlier in this section.

Also, by signing the form you are indicating that you accept the respective employer cost responsibility, if applicable.

For example, if an employee pays for the employee portion of a pregnancy/maternity leave, the employer who granted the leave will be billed for the employer portion of the cost.

2.6.6.3 Part C–To be completed by the former employer (if required)

If the period of service being purchased was with an employer with whom the employee is no longer employed, the employer with the period being purchased must complete Part C as the Authorized Signing Officer. The current employer is still required to complete Part B of the application form to provide us with the Current Annual Pensionable Salary. If the previous employer no longer exists, and is not an amalgamation, the member must provide you with proof of employment in order for you to verify the period of service.

2.6.7 Forward the application to the Teachers' Pension Plan

Once all sections of the form are completed, the form is sent to us. We will produce a and send it to the member. The member must pay by the due date indicated on the statement in order to be eligible to purchase the service at that cost. If the member does not purchase, they may apply to have the cost recalculated, as long as the deadline for that purchase type has not passed (see deadline information under each purchase type in this section).

If the member has chosen Option 1: Continuous contribution, submit a copy of Part B after each monthly pay cycle. Throughout the leave, the member will receive a Statement of Cost from the Plan about once a month. To be eligible to purchase service at the cost listed on the Statement, the member must submit their payment by the due date listed on the Statement. If the member does not pay by the due date, the continuous contribution option expires. Both the member and the employer will be notified of expired continuous contribution options. If the continuous contribution option expires, and the member still wants to purchase service, they must wait until the end of the leave period to apply to have the cost recalculated. Upon recalculation, the member may purchase the services by making a lump sum payment.

2.6.8 Request for an updated purchase cost

In order to receive an updated purchase cost for an expired lump-sum payment, members must formally request an update. Members can do so by sending you a new completed *Purchase of Service Application* form, provided the application deadline has not passed. You will review the new application's details to ensure that the member is still eligible to apply to purchase service (i.e., the deadline for the member to apply to purchase the service has not passed), and then complete the employer section, providing us with the new "Current Annual Pensionable Salary" (full-time equivalent), so we can prepare an updated cost using the most current salary. Once completed, sign the form and forward it to the plan. We will send out a new *Statement of Cost* to the member if all eligibility criteria have been met.

2.7 Paying for purchases

2.7.1 Methods of payment

There are several possible methods of payment:

- cash from plan member (in the form of a personal cheque or EFT),
- RRSP transfer,
- employer funds paying for employee portion,
- employee funds directed from severance payments or retirement allowances, or
- combination of any of the above.

2.7.2 Tax implications

Remember to inform the member that purchases made from a severance or retiring allowance may affect RRSP room. The member must contact CRA to determine that they have sufficient RRSP room to proceed with the purchase.

Contributions made to pay for purchases may be tax-deductible. If a member pays in cash (in the form of a cheque or EFT) directly to the Teacher's Pension Plan, we will issue a receipt to the member to use when filing their income tax return for the year in which the payment is made.

If they are paying by cash, the member must contact Canada Revenue Agency (CRA) to see if they have enough RRSP room. If a member pays for their purchase by cash and they do not have enough room, CRA will deny the purchase.

If a member pays by RRSP transfer, we will not issue a receipt as the funds are already tax sheltered and would have been deducted by the member at the time they were contributed. We will acknowledge receipt of these funds.

If you are paying some or all of the member's purchase you need to arrange the details of the employer payment with the member. Ensure the payment is made by the due date on the *Statement of Cost* and that the member has completed the "Method of Payment" section on the *Statement of Cost*.

No tax receipts are issued for employer-funded payments, other than for severance and retiring allowance payments as set out below.

2.7.3 Severance and retiring allowance payments from the employer

If the payment is coming from severance pay or retiring allowance, we will issue a tax receipt to the member for the purchase payment and then you will issue a T4 to the member for the income.

It is important that members understand that purchases made from a severance or retiring allowance may affect RRSP room.

2.8 Payment and billing

2.8.1 Arrears

For arrears, the employer is automatically billed for the employer portion of the cost. We will send you a letter showing the breakdown of the employee and employer costs.

Enrolment arrears

Employer portion—you can pay in one of two ways:

- through the regular remittance process by reporting the employer portion of the arrears payment on line 6 of your next employer remittance—ensure you include the arrears payment with your remittance, or
- by a separate cheque.

We will bill employers and members separately for their portions.

Employee portion—we will send the member a *Statement of Cost* for the employee portion. The member must decide whether or not to pay the employee portion, which may be paid by RRSP transfer or by cash; subject to CRA approval. If the member chooses to pay by cash, we will issue a tax receipt directly to the member. If the member chooses to pay by RRSP, we will send them a *Purchase Confirmation Letter*.

Payroll arrears

In addition to the arrears letter, we will send you the *Statement of Cost* for the employee portion. You must remit both the employee and employer amounts. You are responsible to recover the employee contributions from the employee. You are responsible for indicating the deduction for the plan member's portion on the plan member's T4 slip. If you require assistance to complete the T4 with this information, please call CRA.

2.8.2 Leave of absence

If the employer is responsible for paying their portion of the leave cost as explained in section 2.2, the member will be sent a *Statement of Cost* for the employee portion. If the member pays for their portion, an invoice is generated and sent to the employer who granted the leave. The employer must pay by the due date indicated on the invoice.

If the member has chosen Option 1, continuous contributions, the plan will send you an invoice for the employer portion shortly after the member pays their portion.

If the employer is not responsible for paying a portion of the leave cost, the member will be sent a *Statement of Cost* for the full cost. Although you are not required by the pension plan rules to pay for any portion of the leave cost, you may still have an arrangement with your employee to pay for all or a portion of it. If so, please forward a cheque by the due date indicated on the *Statement of Cost*.

If the member chooses to pay by cash, we will issue a tax receipt directly to the member. If the member chooses to pay by RRSP, we will send them a *Purchase Confirmation Letter*.

2.8.3 Non-contributory service

The member will be sent a *Statement of Cost* for the full cost. Although employers are not required by the pension plan rules to pay for any portion of this cost, you may have an arrangement with your employee to pay for all or a portion of it. If so, please forward a cheque by the due date indicated on the *Statement of Cost*.

If the member chooses to pay by cash, we will issue a tax receipt directly to the member. If the member chooses to pay by RRSP, we will send them a *Purchase Confirmation Letter*.

2.9 Pension transfer agreements

Pension transfer agreements are negotiated agreements between pension plans that allow plan members to carry certain pension rights—including contributions and years of service—from one pension plan to another. They allow members to transfer the service they earned in a former plan (the “exporting plan”) to their current plan, or the plan to which they last contributed (the “importing plan”).

Transfer of full service from one plan to another is not guaranteed. Differences in benefit formulas, salaries and other factors impact transfer calculations.

Transferring pension rights under an agreement can improve the overall benefits that a plan member is entitled to receive. Plan members who transfer under an agreement must leave their contributions on deposit with their plan, rather than take a refund or other benefit, when they terminate employment.

To be eligible to transfer pension rights, the member must meet certain criteria. These depend on transfer arrangements between the two pension plans. The plan member should contact the plan directly to find out if there is an agreement in place with another pension plan, and how to proceed from there.

SECTION CONTENTS

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3 TERMINATION OF EMPLOYMENT

When a plan member terminates employment prior to age 55, the member is eligible for a benefit. The type and amount of the benefit payable depends on the member's age and service at the time of termination, and may include:

- a refund of the member's contributions with interest to members who were not vested and terminated before September 30, 2015,
- a retirement benefit payable at a later date, or
- a lump-sum payment of the value of that pension.

We will notify the member of the benefit options available and make payments when required.

3.1 When has a member terminated employment from the pension plan?

Termination of employment means the end of the member's employment for which you are required to make contributions on their behalf.

However, if the member is on a recall or seniority list, they are not considered to have terminated employment for pension purposes until the earlier of:

- six months after the cessation of employment, and
- the date the member ceases to have seniority rights under a collective agreement.

In the case of a plan member receiving benefits under an LTD plan, termination of employment occurs when the LTD benefits cease. Even if a member's employment has been terminated with you for all other purposes, the member has not terminated employment for pension plan purposes as long as LTD benefits are still being paid to the member under an LTD plan (see section 6).

When a member terminates employment, you must submit the Employee Information at Termination/Retirement online to report:

- the date that the member terminated employment, and
- salary and service information for the part of the reporting period they worked. You will also report this information on your annual *Payroll Report*, but we need the information in the meantime to process the member's termination benefits.

A plan member has not terminated employment for pension plan purposes if:

- the member is on an approved leave of absence (including sick leave while receiving WorkSafeBC benefits), (see section 6.1 and section 7.2.6),
- the member is laid off but still has seniority rights under the collective agreement and has made a contribution within six months,
- the member is a teacher on call (TOC) who has not resigned or been dismissed and has not been on the recall/seniority list,
- the member is receiving benefits under an LTD plan, even if the member's employment has been terminated for all other purposes,
- the member changes employment status, but does not resign and is not dismissed (for example, the member changes from full-time to part-time, or part-time to TOC), or
- the member is still contributing to the plan with another school district (you must submit an *Employee Information at Termination or Retirement form* if the member has terminated their employment with you).

If a plan member has been dismissed and is appealing the dismissal, it may make sense to delay reporting a termination of employment until the issue is resolved. If the member takes a termination benefit payment and is later reinstated to the position, the benefit will usually not be returned to the plan. For further information, please contact us.

3.2 Termination benefit eligibility

Terminating members have the option of leaving their contributions on deposit.

Eligibility for termination benefits depends on a member's age at the date of termination of employment.

If a plan member terminated employment before January 1, 2018, different rules apply and the member's options may be different. Please contact us if you require more information.

The following table outlines the options available based on age for people who terminate employment on or after January 1, 2018.

BENEFIT ELIGIBILITY OPTIONS	
Age	Options
Under 55	Deferred retirement benefit Or Locked-in commuted value payment (funds must be withdrawn before age 55)
55 but under 61	Immediate retirement benefit (your pension is reduced if you have fewer than 35 years of contributory service)
61 but under 65	Immediate retirement benefit (your pension is reduced if you have fewer than two years of contributory service)
65 or over	Unreduced retirement benefit

Note: Members do not have to cease seniority rights to be eligible for a termination benefit.

Deferred retirement benefit

A retirement benefit payable at a later date. The retirement benefit cannot start earlier than age 55.

Commuted value

The commuted value benefit is the amount of money that needs to be set aside today, using current interest rates, to provide enough funds at retirement to pay a retirement benefit similar to the retirement benefit the member would have received from the plan at the member's earliest retirement age.

3.3 Locking-in

When a person is entitled to a benefit (including a commuted value), that benefit is usually “locked-in.” This means that the benefit must be used to provide retirement income according to the *BC Pension Benefit Standards Act*. A member can choose to take that benefit as a retirement benefit from the plan or may transfer the commuted value of the retirement benefit to another pension income provider. If a commuted value is transferred to another pension income provider, it must be transferred to:

- a locked-in retirement vehicle,
- another registered pension plan,
- a LIF (life income fund), or
- to a life insurance company to provide an annuity payable no earlier than age 50.

The financial institution or other pension plan must certify that the funds will be used to provide a retirement benefit.

If the retirement benefit or commuted value amount is under a certain threshold the member may choose to take the commuted value paid directly to them or have it transferred to an RRSP without locking-in restrictions.

3.4 Income tax

A refund or commuted value payment is not subject to income tax deductions when it is transferred directly from the pension plan to a registered retirement vehicle listed above.

A refund or commuted value payment paid directly to the plan member will have income tax withheld at Canada Revenue Agency’s flat rate of 10 per cent to 30 per cent, depending on the payment amount. The member may owe more or less tax when they file their return.

3.5 Reporting employee information at termination

Select the EITR Submitted Report to view all the member information you have submitted within a specific time frame.

When a plan member terminates employment, PBSA requires us to provide them with their termination selection statement within 60 days. In order to enable us to comply, submit Employee Information at Termination/Retirement online within 14 days.

Sign in to the secure employer website, access the Employer Portal and then select *Employee Information at Termination/Retirement* in the Employer Reporting section. Follow the prompts to enter the data.

Also submit (or ask the member to submit) any plan member documentation not already on file with the corporation, such as:

- proof of age and identity (see section 1)
- court orders pertaining to the splitting of benefits because of marital breakdown.

Termination benefits will not be paid to a member unless we have clear copies of the necessary documents.

It is important to submit the *Employee Information at Termination or Retirement* form to us within the 14 day period so that we can provide the plan member with their benefit options.

We will:

- calculate their termination benefit options, and
- send them a *Termination Selection Statement*, once they are eligible, outlining their options for disposition of their accumulated benefits.

The member can then select a benefit.

For more information, see tpp.pensionsbc.ca/what-happens-if-you-leave-your-job?.

You can access the Employee Information at Termination/Retirement Report to view a rollup of the member information you have submitted.

The termination date is the last day worked.

If the member terminates employment immediately following an approved LOA, termination date is last day of leave. If the member resigns or is dismissed during their leave of absence, termination date is date of resignation or dismissal.

Termination checklist

Did you tell the member to...

- ☒ Apply to purchase service (if they wish to do so) before terminating employment with you?
- ☒ Provide us with proof of age and identity documents?
- ☒ Refer to the website for more information, if they are transferring to another job that is covered by a pension plan?

Did you remember to...

- ☒ Submit Employee Information at Termination/Retirement online within 14 days (unless there is an appeal of the termination pending)?
- ☒ Get a current address from the member?

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4 RETIREMENT

This section provides information on getting a member's retirement benefit started, whether the member is going directly from Teachers' Pension Plan employment to retirement, or the member terminated employment from the plan earlier and now wants the retirement benefit to begin.

How members get information about their retirement benefit

- The plan offers regularly scheduled retirement webinars to members. Check our website at tpp.pensionsbc.ca for more information.
- Members can use the personalized pension estimator, available through My Account on our website, to create pension estimates based on their current service and salary information.
- Members can also review their annual *Member's Benefit Statement*, which provides a summary of retirement benefit information.
- When a member is within 90 days of their retirement benefit effective date they may sign in to My Account and initiate their application for retirement by requesting a detailed, researched estimate of their pension options. Once they select the options they want, they can complete the application online.
- If a member is unable to retire online (either because of internet access or their particular retirement scenario), and they are within four months of their retirement benefit effective date, they may contact the plan and request a retirement application package be sent by mail. The package contains an estimate request which can be filled in and returned to the plan.
- If a member is unable retire online (either because of internet access or their particular retirement scenario), and they are within four months of their retirement benefit effective date, they may contact the plan and request a retirement application package be sent by mail.

The retirement benefit

The Teachers' pension formula results in a retirement benefit, but a member may choose other options that will continue to be paid to a beneficiary(ies) after their death.

Medical Services Plan

Group benefits are **not** guaranteed.

Effective January 1, 2020, Medical Services Plan (MSP) premiums are being eliminated. The plan will no longer administer MSP for retired members.

Voluntary extended health care (EHC) and dental benefits

Retiring members of the Teachers' Pension Plan may apply for voluntary extended health care and dental benefits for themselves and their spouses and dependants. Coverage is provided by Green Shield Canada.

The application is included in the online retirement process and in the retirement application package that can be mailed to members if they require a paper application. Members who apply by mail must return completed or waived forms to the plan with the rest of their retirement application documents.

For more information about the benefits themselves, see the Green Shield Canada (GSC) website at greenshield.ca.

The GSC website can be accessed through the plan website. Click on the Retired Members tab, then Health and Dental Care, and select the link titled "Extended health care and dental plan information."

ABOUT THE RETIREMENT BENEFIT

4.1 Eligibility for a retirement benefit

Plan rules do not require that members retire at age 65.

A member is eligible for an immediate retirement benefit when they reach age 55. Different rules apply for members who were not vested and terminated before September 30, 2015.

Refer to the Age Rules for Benefit Eligibility table in section 3.2.

A member who is eligible for an immediate retirement benefit may choose to defer starting the retirement benefit until a later date. A member who is considering deferring their retirement benefit should be advised to contact us for information.

If a member is receiving benefits under an LTD plan and their benefits end, they may be eligible to apply for a retirement benefit. The member has two choices:

- Receive an immediate retirement benefit (refer to Age Rules for Benefit Eligibility in section 3.2), and if their benefits under an LTD plan are reinstated by the carrier at a later date, they must notify the Pension Corporation and repay to the plan (in a lump sum), the total amount of the retirement benefit paid during the reinstated period, plus interest.
- Choose not to receive an immediate retirement benefit because they are appealing the termination of their benefits under an LTD plan. They should complete the *Termination of Group Disability Plan Benefits* form indicating they are appealing, along with their application for retirement benefit. This will determine the retirement benefit effective date if their appeal is unsuccessful.

If a member accepts a lump-sum payment to settle an LTD plan claim, the member is not eligible to receive a disability benefit from the plan. This does not affect the member's right to termination or retirement benefits.

Under the *Income Tax Act*, an employee aged 71 must start receiving their pension no later than December 1 of the same year they turn 71. They may continue working without interruption, but you must stop collecting pension contributions from them.

Even though they may still be working, please submit employee termination/retirement information using the online tool within 14 days of termination or as soon as the final payroll have been completed.

Submission of this form activates the retirement process. Select “retirement” on the form and complete all fields required including benefits.

After submitting their employee information at termination/retirement using the online tool, final salary, service and contributions up to November 30 must be reported on your payroll report.

EXAMPLE

If you have an employee born in 1946 who turns 71 in 2017, stop collecting contributions for them effective November 30, 2017—even if they turn 71 in December. Your *Payroll Report* must not include service, salary or contributions for this employee beyond November 30.

We send your employees a pension estimate and retirement application package the year they turn 71. Please ensure we have their current address. If your employee has recently reported an address change, ask them to use My Account to update their personal information with the pension plan.

4.2 Pension formula

The plan is a defined benefit pension plan, meaning that a member’s retirement benefit is determined by a formula. The formula is a set percentage multiplied by the member’s highest average salary (HAS) and the member’s pensionable service in the plan.

A member’s retirement benefit is based on the average of their highest five salary years (HAS) and their total pensionable service.

**If the member terminates on or after January 1, 2019,
the normal form of the pension is:**

$$A + C - B$$

where:

$$A = 2\% \times \text{HAS} \times \text{total service pre Jan 1, 2018} \times \text{reduction factors}$$

$$C = 1.90\% \times \text{HAS} \times \text{total service post Dec 31, 2017} \times \text{reduction factors}$$

$$B = 0.7\% \times [\text{lesser of YMPE or HAS}] \times \text{total service post 1965 \& pre Jan 1, 2018} \times \text{reduction factors}$$

If the member retires before 65 the bridge benefit is: B

**If the member terminated on or after January 1, 2018 but
before January 1, 2019, the normal form of the pension is:**

$$A + C - B$$

where:

$$A = 2\% \times \text{HAS} \times \text{total service pre Jan 1, 2018} \times \text{reduction factors}$$

$$C = 1.85\% \times \text{HAS} \times \text{total service post Dec 31, 2017} \times \text{reduction factors}$$

$$B = 0.7\% \times [\text{lesser of YMPE or HAS}] \times \text{total service post 1965 \& pre Jan 1, 2018} \times \text{reduction factors}$$

If the member retires before 65 the bridge benefit is: B

**If the member terminated before January 1, 2018, the
normal form of the pension is:**

$$A - B$$

where:

$$A = 2\% \times \text{HAS} \times \text{total service} \times \text{reduction factors}$$

$$B = 0.7\% \times [\text{lesser of YMPE or HAS}] \times \text{total service post 1965} \times \text{reduction factors}$$

If the member retires before 65 the bridge benefit is: B

For all termination dates see section 4.4 for rules determining when reduction factors are applied.

The pension formula gives the member a single pension amount plus the bridge benefit (service earned up to December 31, 2017).

If a member retires before age 65 with less than 35 years of contributory service, the retirement benefit may be reduced.

4.3 Pension options overview

The pension that results from the pension formula is payable as the “normal form” of pension. The normal form of pension in the plan is a single life 10-year guarantee.

A plan member may choose one of the pension options, which offer different levels of guaranteed payment.

When a member selects an option other than the normal form of pension, the amount of the retirement benefit will change. In general, the longer the guarantee period, the lower the retirement benefit amount. The bridge benefit does not change, regardless of the pension option selected.

Single life pensions with a guarantee are pensions that are payable for the life of the member and for a set guarantee period if the member dies before the end of the guarantee period. The guarantee period may be 5, 10 or 15 years. If the member dies before the end of the guarantee period, the rest of the monthly benefit is paid to the member’s beneficiary(ies), or estate if no beneficiary exists. For more information on beneficiaries, see tpp.pensionsbc.ca/beneficiaries.

If the member dies after the end of the guarantee period, no payments are made to the member’s beneficiary(ies) or estate.

Joint life pensions are payable for the life of the member and the member’s spouse; if the spouse lives longer than the member, the spouse continues to receive some or all of the pension.

A member who has a spouse must select an option that guarantees at least 60 per cent of the member’s pension will continue to the spouse after the member’s death, unless the spouse waives entitlement in writing. This amount is paid as a joint life pension.

Temporary annuities are temporary benefit payments from retirement to age 65 or the member’s death, whichever occurs first. This option provides for an increased retirement benefit from retirement to age 65 but permanently reduces the retirement benefit thereafter. The member must request this option.

A member who has a spouse must select an option that guarantees at least 60 per cent of the member's pension will continue to the spouse after the member's death, unless the spouse waives entitlement in writing.

Choosing a pension option

Here are some things the member should consider when choosing an option:

- Does the member have a spouse?
- Does the member wish to provide a payment to their beneficiary(ies) after death?
- If the member divorces, does that former spouse have an entitlement to a portion of the pension?
- What if the member is widowed with dependent children?
- What if the member becomes ill?
- Are there other sources of retirement income?

Members can review

tpp.pensionsbc.ca/choose-your-pension-option, for more information on this topic.

4.4 Reduced and unreduced retirement benefits

Based on the rules in effect at the time of termination of employment, the member's retirement benefit amount will be reduced if the member does not meet certain age and service minimums. These reductions apply to both of the bridge portions of the retirement benefit.

Summary of Reduction Criteria

Reduction criteria are based on termination date.

If the member is terminating on or after January 1, 2018:

Retirement benefits are calculated based on service accrued before/after January 1, 2018.

The portion of the retirement benefit based on service accrued on or after January 1, 2018 is unreduced if when they retire they are:

- at least 55 and less than 61 and have 35 or more years contributory service
- at least 61 and less than 65 and have 2 or more years contributory service
- 65 or greater

The portion of the retirement benefit based on service prior to January 1, 2018 is unreduced if when they retire they are:

- at least 55 and less than 60 and their age plus service is 90 or greater
- at least 60 and less than 65 and have 2 or more years contributory service
- 65 or greater

If the member terminated on or after January 1, 1998 and before January 1, 2018:

The retirement benefit is unreduced if when they retire they are:

- at least 55 and less than 60 and their age plus service is 90 or greater
- at least 60 and less than 65 and have 2 or more years contributory service
- 65 or greater

Reduction Rate Tables

For terminations on or after January 1, 2018 the following tables detail when a reduction is required.

Reduction rates for service accrued on or after January 1, 2018

TERMINATION AGE	RETIREMENT AGE	CONTRIBUTORY SERVICE (YEARS)	REDUCTION
Under 61	55 but under 61	CS < 2	4.5% per year under age 65 (max 45%)
		2 ≤ CS < 35	4.5% per year under age 61 (max 27%)
	61 or over	CS < 2	4.5% per year under age 65 (max 18%)
61 but under 65	61 but under 65	CS < 2	4.5% per year under age 65 (max 18%)

Reduction rates for service accrued prior to January 1, 2018

Note: 10-Month teachers who terminate in June and turn 55 in July or August, are eligible for a 3% reduction factor on their pre- January 1, 2018 service, if they elect a retirement benefit effective the first of the month after reaching ERA and meet the other non-age related criteria.

TERMINATION AGE	RETIREMENT AGE	CONTRIBUTORY SERVICE (YEARS)	REDUCTION
Under 55	55 but under 60	CS < 2	5% per year under age 65 (max 50%)
		CS ≥ 2	5% per year under age 60, or short of the rule of 90 (whichever is less) (max 25%)
	60 or over	CS < 2	5% per year under age 65 (max 25%)
55 but under 60	55 but under 60	CS < 2	5% per year under age 65 (max 50%)
		2 ≤ CS < 10	5% per year under age 60, or short of the rule of 90 (whichever is less) (max 25%)
		10 or more, including: • 10 months pensionable service, or • 20 months contributory service in the 24 calendar months immediately preceding termination of employment	3% per year under age 60, or short of the rule of 90 (whichever is less) (max 15%)
		10 or more, but without either: • 10 months pensionable service, or • 20 months contributory service in the 24 calendar months immediately preceding termination of employment	5% per year under age 60, or short of the rule of 90 (whichever is less) (max 25%)
	60 or over	CS < 2	5% per year under age 65 (max 25%)
60 but under 65	60 but under 65	CS < 2	5% per year under age 65 (max 25%)

4.5 When a member is retiring

When a member is planning to retire, they should apply for retirement by signing in to My Account at tpp.pensionsbc.ca. If the member prefers to apply by mail they can contact the plan to request a *Retirement Application Package*. To be eligible for retirement, the member's retirement benefit effective date must be no more than 90 days in the future.

When members have not yet reached retirement age or are not sure of when they wish to retire, there are several resources available to provide them with a pension estimate (see below).

Terminated members with contributions on deposit may contact us for an estimate.

4.5.1 Member's Benefit Statement

We send each active member a *Member's Benefit Statement* on an annual basis. Statements can be sent to you for distribution or you can choose to have us send them directly to members.

The statement gives current and future pension estimates and gives a summary of the member's contribution and service history in the plan.

4.5.2 Online pension estimator

Members can do their own estimate using the personalized pension estimator available through My Account on our website. The estimator has been loaded with each member's current service and salary information. The information can be modified to create estimates for a number of different scenarios, including:

- retirement dates,
- salary, and
- service assumptions, including purchases.

See section 4.6 for limitations on calculations.

4.5.3 Retirement webinars

The plan provides webinars for members. The webinars are regularly scheduled or may be requested by employers and employer/employee associations. Members can find a

description of the webinar, the schedule and register on the plan website, tpp.pensionsbc.ca.

All members are welcome to attend, including those receiving benefits under an LTD plan.

4.5.4 Additional information about the pension plan

Pension plan information can be viewed on the plan website. Members can contact Teachers' member services with questions they may have about retirement benefits. Please see the contact list in the front of this manual for details.

4.6 Retirement planning and application

The retirement process is two steps—**planning and application**.

Retirement planning—member logs into My Account on our website and uses the personalized pension estimator to explore their pension options.

The estimator allows members to choose as many pension scenarios as they wish. The amount shown on the estimator can help the member plan their retirement, unless there are circumstances that may affect their retirement benefit (e.g., they have a marital breakdown, have received long term disability service during their career, or have more than 12 months service in a year). Members who cannot perform a calculation on the pension estimator, or who have circumstances that could affect their pension calculation (as stated above), should contact the pension plan.

Members should also be encouraged to attend a retirement webinar. Members can view the schedule and register on the plan website.

Retirement application—when the member is within 90 days of their retirement benefit effective date and applies online for retirement through My Account, they have the opportunity to request a researched estimate, explore their options and if required, contact the pension corporation prior to submitting their application.

If they are unable to access My Account or retire online, and they are within four months of their retirement benefit effective date, they may contact the plan and request a

retirement application package to be mailed. The package contains a request for a research estimate that can be mailed to the plan.

When the member has decided on their exact retirement date, you will need to submit Employee Information at Termination/Retirement online. You will need to provide us with the member's termination date, group benefit cancellation dates if applicable, and the final salary, service and contribution information. You need to submit this data to the Teacher's plan within 14 days of termination or as soon as the final payroll has been completed—for employees retiring July 1, you may submit online as early as May. The salary, service and contributions reported must be the same as those that appear on the payroll report.

Remember if you have converted a member to a 12-month pay system for any period after July 1st, their retirement benefit effective date can be adversely affected. The retirement benefit plan rules state that a retirement benefit is effective the first day of the month following the month for which final payment of salary is made. For example, if 12-month conversion occurred August 1, 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.

4.6.1 Pension estimate

When a member applies online for retirement, they will be provided with a researched *Pension Estimate* from us. The estimate gives them the estimated pension amount payable under the various pension options.

These options apply to the pension only, and do not affect the bridge benefit.

4.6.2 Standard pension options

All members

- **Single life pension, no guarantee:** A pension that is payable as long as a member lives. Gives the highest possible pension payment. No payments or group benefit coverage will continue to their spouse, beneficiary(ies) or estate after the member's death. Payments stop at the end of the month in which the member dies.
- **Single life pension guaranteed 5 years:** A pension that is payable for as long as a member lives. If the member dies before the completion of 60 payments (five years), the rest of the monthly benefit is paid to the member's beneficiary(ies), or estate if no beneficiary exists. For more information on beneficiaries, see tpp.pensionsbc.ca/beneficiaries.
- **Single life pension guaranteed 10 years (normal form):** A pension that is payable for as long as a member lives. If the member dies before the completion of 120 payments (10 years), the rest of the monthly benefit is paid to the member's beneficiary(ies), or estate if no beneficiary exists. For more information on beneficiaries, see tpp.pensionsbc.ca/beneficiaries.
- **Single life pension guaranteed 15 years:** A pension that is payable for as long as a member lives. If the member dies before the completion of 180 payments (15 years), the rest of the monthly benefit is paid to the member's beneficiary(ies), or estate if no beneficiary exists. For more information on beneficiaries, see tpp.pensionsbc.ca/beneficiaries.

In addition to the pension option chosen, the member receives a bridge benefit on pre-2018 service that is paid until the member reaches age 65 or dies, whichever occurs first. The bridge benefit always stops when the member dies.

Members with a spouse

A member who has a spouse must select an option that ensures a minimum of 60 per cent of the portion of the pension will go to the spouse on the plan member's death, unless the spouse waives this right.

A member who has a spouse must select an option that ensures a minimum of 60 per cent of the portion of the pension will go to the spouse on the plan member's death, unless the spouse waives this right.

- **100 per cent joint life pension (JL):** 100 per cent of the pension amount is payable for the life of the member and then for the lifetime of the surviving spouse. The pension stops being paid after the death of the last survivor.
- **80, 60 or 40 per cent joint life (JL) pension guaranteed 10 years:** The member receives the pension amount for their lifetime. If the member dies before the guarantee period expires, the surviving spouse will continue to receive 100 per cent of the member's pension amount until the guarantee period has expired. Then the pension is reduced to the proportion the member selected at retirement (80, 60 or 40 per cent). If the member dies after the guarantee period has passed, the pension payable to the surviving spouse is reduced immediately to the proportion the member selected at retirement (80, 60 or 40 per cent of the member's pension amount).
- **80 or 60 per cent joint life (JL) pension guaranteed 15 years:** The member receives the pension amount for their lifetime. If the member dies before the guarantee period expires, the surviving spouse will continue to receive 100 per cent of the member's pension amount until the guarantee period has expired. Then the pension is reduced to the proportion the member selected at retirement (80, 60 or 40 per cent). If the member dies after the guarantee period has passed, the pension payable to the surviving spouse is reduced immediately to the proportion the member selected at retirement (80, 60 or 40 per cent of the member's pension amount).

Members may also request additional pension options for consideration, including:

- different combinations of single or joint life options with temporary annuities,
- percentages for the JL pension other than 80, 60 or 40 per cent, and
- no guarantee or a 5-, 10-, or 15-year guarantee on the JL pension.

EXAMPLE

A member may choose a 50 per cent JL pension with a 15-year guarantee.

4.6.3 Nomination of beneficiary

A beneficiary nominated for pre-retirement death benefits will not automatically become a beneficiary for the pension.

The nomination of beneficiary(ies) at retirement is separate from any pre-retirement beneficiary nomination the member may have made with respect to pre-retirement death benefits. A beneficiary nominated for pre-retirement death benefits will not automatically become a beneficiary for the pension.

If a member chooses a joint life (JL) option, including combination joint life guarantee options (JLCD), the beneficiary must be the spouse, although the member can nominate an alternate for the guarantee portion in case the spouse dies before the member. See tpp.pensionsbc.ca/death-and-your-pension for more information.

If the spouse has waived their right to 60 per cent of the pension and the member has selected a single life option, then the spouse is the beneficiary during the guarantee period unless stated otherwise on the waiver form.

If the spouse allows the member to nominate another beneficiary(ies), the member may change the nomination at any time prior to their (member's) death or the end of the guarantee period.

If the member does not have a spouse and chooses a single life guarantee option, they can change the nomination at any time up to the end of the guarantee period or the member's death, whichever is sooner. If the member selects a single life pension no guarantee, then there is no beneficiary because all payments and group benefit coverage will cease upon death.

Pension options with guarantee periods (as described above), whether chosen as single life pensions on their own or as part of a joint life contributor death option, provide that a benefit be paid after the member's death.

At the time the benefit is to be paid, we will require:

- the social insurance number and date of birth of any person beneficiary, and
- the CRA registration number of any beneficiary that is an organization.

4.6.4 Automated Direct Deposit System

The accuracy of the member's banking information is critical in ensuring that retirement benefits are paid on time.

Retirement benefits payments are deposited directly into the member's bank account if the member lives in Canada or the U.S. Direct deposit of the retirement benefit to banks outside of Canada or the U.S. is not possible.

The accuracy of the member's banking information is critical in ensuring that retirement benefits are paid on time.

The deposit information is provided by the member in the "Direct Deposit for Pensions Paid Within Canada" section of the *Pension Application* form or on the *U.S. Direct Deposit Authorization* form available at tpp.pensionsbc.ca/apply-for-direct-deposit-to-a-u.s.-account.

If the retirement benefit payment is to be deposited to an account on which cheques can be issued, a sample cheque should be attached and clearly marked "VOID" on the face of the cheque.

If a voided cheque is not provided or the payment is to be deposited to a U.S. account, the member must take the application form to their bank and have a bank official verify/complete the banking data before submitting the application.

4.7 To start the retirement benefit

Pensions are not paid for partial months.

Once a member is within 90 days of their actual retirement date they should sign in to My Account and apply for retirement online or complete and sign all the forms in their retirement application package. Members should submit the *Pension Application* and forms only if they are definitely retiring.

We recommend the member's last paid day be as close to the end of a month as possible because the retirement benefit begins the first of the month following the last paid day. Retirement benefit payments are normally deposited two banking days before the end of the month.

Select the EITR Submitted Report to view all the member information you have submitted within a specific time frame.

You must submit Employee Information at Termination/Retirement online within 14 days of termination or as soon as the final payroll has been completed—for employees retiring July 1, you may submit online as early as May. Sign in to the Employer Login section of the website; select Employer Reporting and then select Employee Information at Termination/Retirement. Follow the prompts to enter the data.

If you determine that the data needs to be amended, you will need to complete and send the Amended Employee Information at Termination/Retirement form as soon as possible. This form is available in the Employer Forms section on the web.

We will not accept forms if they are dated more than 90 days before retirement.

All other forms in the package can be submitted directly to the corporation by the member, or you can forward all forms on the member's behalf.

If completing a paper application, the member must sign the *Pension Estimate* and *Spousal Declaration* forms and return them to us. The *Spousal Declaration* must be signed and dated no earlier than 90 days prior to the member's retirement benefit effective date.

The member's retirement benefit is effective the first day of the month following their final paid work day, or the first day of the month in which we receive their completed application package, whichever is later. However, if application is made in September or August and the member has not been engaged as an employee during either month, the retirement benefit may be granted on the first day of July immediately before the date of application.

4.8 After the retirement benefit starts

4.8.1 Changing the pension option

Members may be able to change their pension option by informing the plan, in writing, within 60 days of the date their retirement benefit is granted.

Members may be able to change their pension option by informing the plan in writing, within 60 days after their retirement benefit has been granted. After that time, the pension option selected is irrevocable. The date a retirement benefit is granted is the later of:

- the effective date of the retirement benefit, or
- the date of the letter advising the member of their final retirement benefit amounts.

Members can contact the plan if they have questions about changing their pension option.

4.8.2 Cost-of-living adjustments (“indexing”)

Once a pension starts, it may be increased each year to adjust for cost-of-living increases; however there is no guarantee an increase will be granted.

Each year, the Teachers’ Pension Board of Trustees considers relevant factors to determine if a cost-of-living adjustment will be provided. Traditionally, cost-of-living adjustments have been for the full Consumer Price Index (CPI) increase each year, however there is always potential for a less-than-full CPI increase.

The board compares the CPI for September of the current year with September of the previous year. If the CPI shows a drop or doesn’t change (i.e., the cost of living decreased or remained the same), pension payments will not change.

If the board grants an adjustment, it will take effect in January. Once granted, the adjustment becomes part of a member’s regular guaranteed pension payment. For members who retired partway through the year, the adjustment will be prorated.

Adjustments are applied to the portion of a member’s pension payment, the bridge benefit and, if selected, the Temporary Annuity.

4.8.3 Income tax

Pensions are taxable. We will deduct income tax based on the pension amount we pay the member. If the member has other sources of income, it's their responsibility to ensure they pay sufficient income tax. The member may choose to complete a TD1 or TD1BC to have additional tax deducted or to claim additional tax credits.

Retired members should contact Pension Services if they need more information.

4.8.4 Changes to retirement benefits in pay

Any time the amount of a pension payment changes (e.g., indexing is applied, the member turns 65 and the bridge benefit stops, income tax changes), we will send a pension statement letter to the member notifying them of the change. We also send a pension statement letter to members each January and July.

4.8.5 Retroactive pay after retirement

Plan members can request to have retroactive salary paid after retirement treated as pensionable earnings. We will not amend a pension where the additional contributions are less than \$100 because of the insignificant impact on the pension created by the additional salary. Before automatically deducting contributions, you should ask the member if they want it treated as pensionable salary.

If contributions are deducted, the salary and contribution information should be reported on your annual *Payroll Report*. See section 7 for reporting instructions.

As with regular reports and remittances, do not deduct pension contributions from non-pensionable salary, such as payment in lieu of vacation or for overtime (see section 7). Contact us if you have questions concerning these payments and deductions.

4.9 Other retirement income

Remember, if the member has other sources of income, it's their responsibility to ensure that they pay sufficient income tax.

The Teachers' Pension Plan is only one source of retirement income. Plan members may also have retirement income from other pension plans, income from personal retirement savings such as RRSPs or other investments, and income from federal government pension plans—the Canada Pension Plan (CPP) and old age security (OAS).

Payments of other types of retirement income do not affect the payment of pensions from the plan.

4.9.1 Canada Pension Plan

The Canada Pension Plan is a pension plan administered by the federal government that is designed to replace a portion of employment income in case of retirement, death or disability. Most working Canadians contribute to the Canada Pension Plan on employment income up to the YMPE.

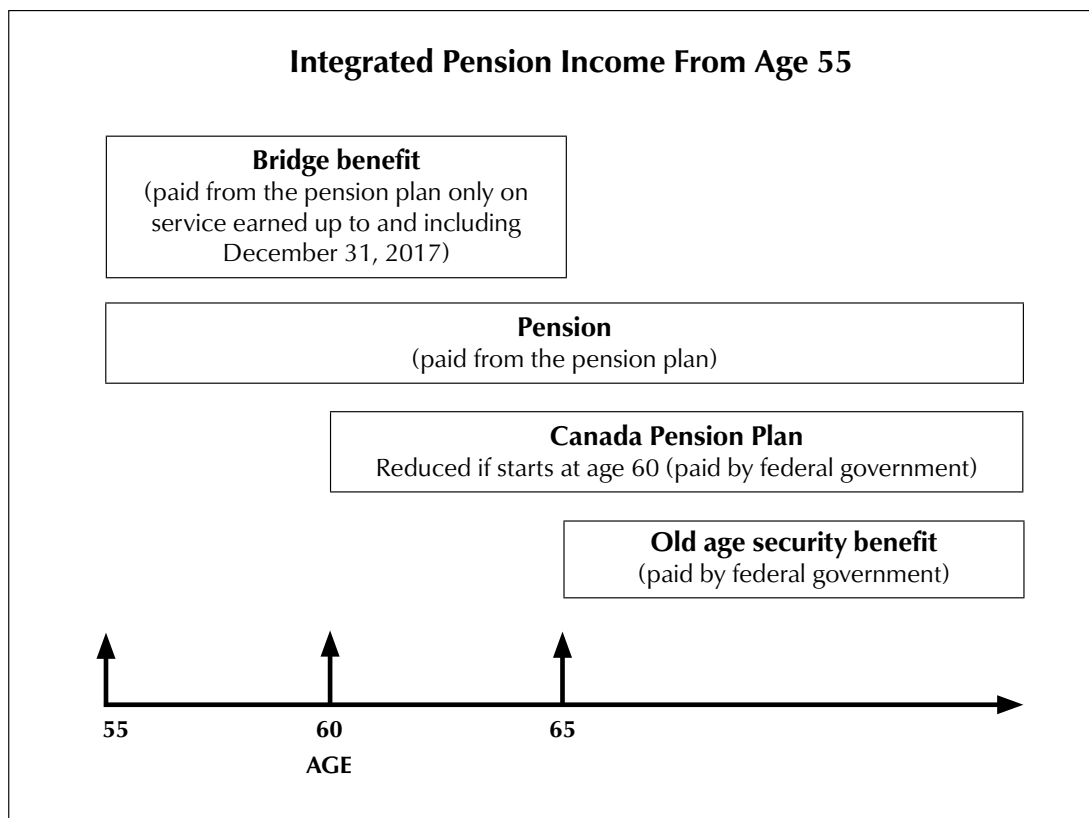
Benefits may be payable from age 60 if the member is no longer a contributor to the Canada Pension Plan. Benefits will be reduced if the member starts receiving them before reaching age 65.

4.9.2 Old age security (OAS)

Old age security (OAS) is a federal income security program that provides basic pension income to all people who meet the residency requirements, starting at age 65. Other benefits may be available to low-income earners, including the guaranteed income supplement and the allowance as early as age 60.

4.9.3 Applying for federal pensions

Members must apply to Service Canada for CPP and OAS benefits—the benefits will not be paid unless the member applies. See Service Canada under Pensions in the blue pages of the phone book, or check their website at servicecanada.gc.ca. Members can apply up to 12 months before their 65th birthday. Anyone over age 65 should apply immediately so as not to lose any benefits.



4.10 Early Retirement Incentive Program (ERIP)

To ease workforce adjustments such as downsizing or re-organizing, you can elect to pay the extra cost of offering employees early retirement incentives. These incentive packages may include special arrangements for altering eligibility for unreduced pensions. Please note that plan members can never start their pension before their earliest retirement age. See our website for further information. When you are ready, you can contact the director of the plan to discuss details.

Types of Pension Summary

TYPES OF PENSION	PAID FOR MEMBER'S LIFE?	PAID AFTER MEMBER'S DEATH?	EARLY RETIREMENT REDUCTION APPLIES?	RECEIVES COST OF LIVING ADJUSTMENT?
Single life pension, no guarantee	Yes	No	Yes	Yes
Single life pension guaranteed 5-, 10-, or 15 years	Yes	Yes if member dies before the end of the guarantee period. No if member dies after the end of the guarantee period.	Yes	Yes
Joint life pension 100%	Yes	Yes if the spouse is living. No if the spouse is deceased.	Yes	Yes
Joint life pension 60%, no guarantee (or any percentage lower than 100%)	Yes	Yes if the spouse is living, paid at the percentage selected. No if the spouse is deceased.	Yes	Yes
Joint life pension less than 100%, guaranteed 5-, 10-, or 15 years	Yes	Yes if the spouse is living or if the member dies before the end of the guarantee period. No if the spouse is deceased and the member dies after the guarantee period expires.	Yes	Yes
Temporary Annuity	No (paid to the earlier of the member's reaching age 65 or death).	No	n/a	Yes
Bridge Benefit	No (paid on pre-2018 service to the earlier of the member's reaching age 65 or death).	No	Yes	Yes

Retirement checklist

Did you tell the member to...

- ☒ Go to My Account and apply for retirement online or contact the Pension Corporation for a researched estimate and retirement application package?
- ☒ Apply to purchase or transfer their service, if they wish to do so? Remember that members must apply before they retire.
- ☒ Provide us with proof of age and identity documents?
- ☒ Use the personalized pension estimator to calculate an estimate of their pension?
- ☒ Consider attending a retirement webinar?

Did you remember to...

- ☒ Check that the member's last paid day is as close to the end of the month as possible?
- ☒ Check whether the last day worked is the same as the last day paid?
- ☒ Submit Employee Information at Termination/Retirement online to us on or just before the member's last day? We will happily accept this data up to 60 days before retirement for July 1 retirement dates. When submitting this data, please be sure to indicate if the member received paid sick leave from a third party in the current year (for example, from the B.C. Teachers' Federation).
- ☒ Send us an *Amended Employee Information at Termination or Retirement* form as soon as possible if the member's service or salary changes from what you reported in the original form?

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5 PRE-RETIREMENT DEATH

Pre-retirement death benefits are payable from the Teachers' Pension Plan when a member dies prior to receiving a benefit from the plan. This may occur when a member dies while still an active member, or when a member terminated employment before dying but had not yet taken a benefit.

The type and amount of the benefit payable depends on the member's age and service, and the rules in place at the date of death. If the member had previously terminated employment, the rules in place at the date of termination are also considered. The benefit may be payable to the member's surviving spouse, named beneficiary(ies) or estate.

5.1 When are pre-retirement death benefits payable?

Pre-retirement death benefits are payable when:

- a member dies while still an active member, including:
 - actively contributing to the plan,
 - receiving benefits under an LTD plan,
 - on an approved leave of absence and had not terminated their employment,

or

- when a terminated member dies prior to taking a benefit (i.e., the member's funds are still on deposit with the plan).

5.2 Who is the beneficiary(ies)?

The member's spouse is automatically the beneficiary (unless the spouse has waived entitlement to the pre-retirement death benefit by completing *Spouse's Waiver of Beneficiary Right to Benefits in a Pension Plan, Locked-in Retirement Account, Life Income Fund or Annuity Before Payments Start*).

If there is no spouse, and no named beneficiary on file prior to the date of the plan member's death, death benefits are paid to the plan member's estate. (See Section 1.2 Nomination of beneficiary for more information).

5.3 What benefits are payable?

Refer to charts on the following pages for benefits available.

The pre-retirement death benefit payable depends on:

- member's age at death,
- years of pensionable and contributory service,
- date of death,
- date of termination of employment, and
- identity of the beneficiary.

For deaths of active plan members

BENEFIT PAYABLE WHEN THE BENEFICIARY IS A SPOUSE	
Plan member's age at death	Benefit payable to surviving spouse
Under age 55 (earliest retirement age)	Immediate retirement benefit, or Payment equal to the greater of: <ul style="list-style-type: none">• Plan member's contributions with interest, or• Commuted value of accrued benefit
Age 55 or older	Immediate retirement benefit

The immediate retirement benefit payable to a spouse is effective the first of the month following the month in which the member died (if the member died April 15, then the pension is payable beginning May 1).

If a spouse is eligible for a commuted value payment, the funds must usually be transferred to an approved registered retirement vehicle and must be locked-in. Funds transferred in this way are not taxed at the time of transfer. The funds may be used to provide an immediate or deferred pension which cannot start earlier than the month following the month in which the member died.

If the pension is under a set threshold, the spouse has the option of receiving a commuted value of the benefit payable on a non-locked-in basis. That is, the spouse may choose to take the funds as a cash payment (in the form of a cheque) with tax withheld or transfer the funds on a tax-free basis to a registered retirement vehicle.

BENEFIT PAYABLE WHEN THE BENEFICIARY IS NOT A SPOUSE	
Plan member's age at death	Benefit payable to beneficiary(ies) or estate
Under age 55 (earliest retirement age)	Payment equal to the greater of: <ul style="list-style-type: none"> • Plan member's contributions with interest, or • Commuted value of accrued benefit
Age 55 or older	

When multiple beneficiaries have been nominated, the benefit is split equally unless the member has assigned other proportions. Benefits payable to a named beneficiary or estate are always paid as cash (in the form of a cheque), with tax withheld.

5.4 Employer responsibility

Do not report service or salary or take contributions for any period after the date of death.

When a plan member dies while an active plan member, you must complete and submit a *Certification of Death* and report the member's service, salary and contributions up to the date of death. Submit a copy of the member's death certificate if available. We also require the member's proof of age and identity (see page 5, Introduction section) to process the benefit. In the event that a plan member dies while receiving benefits under an LTD plan, you must enter the LTD stop date online (see section 6 for LTD information).

Do not report service or salary or take contributions for any period after the date of death. If you pay the employee's salary to the end of the month in which the member died, any salary or lump sum payments (such as lump sum vacation payouts) that are made on behalf of the member after death are not pensionable. Do not deduct employee or remit employer contributions on lump sum payments.

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6 SHORT-TERM DISABILITY AND LONG-TERM DISABILITY

6.1 Group disability plans

Many employers have salary indemnity plans (SIP) and long-term disability (LTD) policies that provide benefits to employees who become disabled. You may wish to have your LTD policy approved for pension purposes by the Teachers' Pension Plan.

6.1.1 Long-term Disability (LTD)

If a member is receiving LTD benefits under an LTD plan, neither the employer nor the member contributes to the plan, but the member still accrues pensionable and contributory service. You cannot terminate an employee for pension purposes until the carrier terminates the LTD claim. Although you consider the member to have terminated employment for other reasons, the member has not terminated employment for pension plan purposes. For example, even if you are no longer required to offer them a position if the period of disability ends because a "two year-own occupation" time frame has passed, the member has still not terminated for pension plan purposes.

Do not submit Employee Information at Termination/Retirement data while a member is receiving under an LTD plan.

When the member stops receiving LTD benefits and has chosen to terminate their employment, only then submit Employee Information at Termination/Retirement online. See section 3 for more information on terminating employment and section 6.3 for information on employer reporting for members receiving benefits under an LTD plan.

If you have an LTD policy that is **not approved** as a group disability policy under the plan rules, plan members receiving LTD benefits will not be credited with service for the LTD period. The member will be either terminated from the pension plan, or on an approved leave of absence, depending on your employment practices for employees on LTD.

6.1.2 LTD Policy approval criteria

Submit Employee Information at Termination/ Retirement data if the member stops receiving benefits under an LTD plan but does not return to work.

The Teachers' Pension Board of Trustees has set out the following criteria for the approval of an LTD policy as a group disability plan. All four criteria must be met before a group disability plan can be approved for pension purposes. Article 1, items (i), (ii) and (iii) are minimum criteria. A group disability plan can continue to provide benefit payments after one of the events described in these items occurs. However, benefit payments cannot be continued after either of the events described in Article 1, item (iv) occurs.

1. The group disability plan must provide for continuous coverage during the period the plan member is disabled until one of the following events occurs:
 - (i) the member reaches earliest retirement age and has accrued 35 years of contributory service,
 - (ii) member reaches age 61 and has accrued two years of contributory service,
 - (iii) member reaches age 65, or
 - (iv) the member returns to active employment or dies.
2. The group disability plan must provide that the benefits paid during the period of disability will replace at least 50 per cent of the salary the member earned during employment immediately prior to the disability period.
3. The group disability plan must include a definition of disability which takes into consideration the member's vocation, training, education and experience.
4. The group disability plan must be sponsored by a plan employer or the bargaining agent or employee association representing a group of employees who are members.

6.1.3 Applying for LTD policy approval

Submit an *Employee Information at Termination or Retirement* form if the member stops receiving benefits under an LTD plan but does not return to work.

To apply to have your LTD policy approved, submit the *Group Disability Plan Application* form and required attachments to the Policy Branch of the Pension Corporation. If you have more than one LTD policy to cover different groups of employees, each policy needs to be approved individually.

If your LTD policy meets the criteria and is approved by the Pension Corporation as an approved group disability policy, we will notify you and update our records.

If the policy does not meet the criteria, we will notify you, and you will have the option of amending your policy and re-applying.

If you change LTD carriers or any terms of the LTD policy, you need to contact the Policy Branch of the Pension Corporation to ensure that the policy still meets the criteria. If the new terms do not meet the approval criteria, we will notify you so you can change the policy to meet the criteria.

If your LTD policy changes or is amended, you will be required to submit a *Group Disability Plan Application* form and supporting documentation to the Policy Branch of the Pension Corporation to confirm the policy still meets the criteria. The form is available on the secure employer website under *Forms*.

6.1.4 Annual LTD policy validation process

All organizations are required to validate their group disability policy information annually. If you have an approved group disability policy, you will sign into the secure employer website to access the online LTD Policy Validation tool to confirm your LTD information.

If you do not have an approved group disability plan, you will still need to sign into the secure employer website to access the online LTD Policy Validation tool to confirm that you do not have an approved LTD policy (policies).

Prior to completing the annual validation process for the first time, you will need to identify the person(s) in your organization who should have access to validate the details of your LTD Policies. Your primary or secondary user will have to assign the role of LTD Policy Validator to these individuals. Only staff with the LTD Policy Validator role can access the online LTD Policy Validation tool.

Access to the tool is through a link on the secured employer section of the pension corporation website, and is available for a limited time. On selecting the link during the LTD Policy Validation window, your LTD Policy Validator will see a list of all of your open approved LTD policies. We require the LTD Policy Validator to review the details of each policy, and validate that the policy is CORRECT, REQUIRES UPDATE, or has been TERMINATED. If a policy has been terminated, the termination date is required.

If a message is displayed showing that we have no open approved LTD policies on record for your organization, you are required to validate this statement is CORRECT. If the statement is incorrect, select REQUIRES UPDATE.

If the validation process reveals that the information on file about your LTD policy is out of date, you will be required to submit a *Group Disability Plan Application* form and supporting documentation to the Policy Branch of the Pension Corporation. The form is available on the secure employer website under *Forms*.

6.1.5 Salary Indemnity Plan (SIP)

The BC Teachers' Federation Salary Indemnity Plan (SIP) short term illness plan is an approved group disability salary continuance plan (LTD Policy). This means that the short term plan and the long term plan are "linked" and are both considered an approved LTD policy and that all short term events should be reported as SIP (not LTD). Contributions will be "deemed", so no remittances will be made or receipts issued.

Please note that SIP is paid to the member from BCTF on a 10-month basis.

6.2 BC Teachers' Federation Salary Indemnity Plan (SIP)

The Salary Indemnity Plan (SIP) is an approved group disability salary continuance plan administered by the BC Teachers' Federation (BCTF). Most TPP members who become ill or injured are covered under the SIP plan.

Members who are accepted on SIP often continue to long-term disability (LTD). The short-term portion (SIP) is linked to the LTD portion. Therefore, the LTD start date will be the approved SIP start date.

6.3 Long-term disability (LTD)

LTD is an approved group insurance plan that pays replacement earnings to qualified members.

Once the member has been accepted on LTD, they:

- continue to accumulate pensionable and contributory service in the pension plan as if they were still working, and
- their highest average salary, which is used to calculate their retirement benefit, will be indexed to keep pace with the cost of living.

Members on LTD can view their pension information, and access online tools like the personalized pension estimator, through My Account.

You must notify us as soon as you are aware that a member has started or stopped LTD.

Based on the LTD start information, the member receives LTD pensionable and contributory service credited automatically to their account each year.

It is important to enter the member's LTD stop date as soon as the period of disability coverage ends so that excess LTD service is not automatically credited to the member's account.

6.3.1 Reporting long-term disability (LTD) information

LTD information for TPP members is reported to the Pension Corporation by an administrator:

- **10 month employees (teachers):** LTD start and stop information is reported monthly by Canada Life. We post this information to the member's account.
- **12 month employees:** it is the school district's responsibility to report LTD data using the LTD start/stop tool in the employer portal.

6.3.2 Long-term disability (LTD) reporting options

There are **three** ways for you to report your members' LTD information: individual record, standard format file or Excel file.

If any errors occur while you are submitting LTD information, you may receive a message requesting that you correct and resubmit the information.

Once the data has been submitted, the data goes through a verification process, if no errors are found it will be credited immediately to the member's account.

If errors are identified during the verification process, we will follow up with the person submitting the data.

6.3.2.1 *Individual record*

Sign in to the secure employer website and access the Employer Portal; select Employer Reporting and then select LTD Start/Stop. Select Employee Lookup. Follow the prompts to enter the mandatory data.

When you have entered the members information you will be able to:

- view the member's LTD history.
- enter the LTD start date if there is not an existing open LTD break for the member.
- enter the LTD stop date if there is an existing open LTD break.
- amend the LTD start/stop date.

The LTD service will be added to the employee's account in real-time based on the information provided.

Optional Service Event

If you are entering a LTD start, you can record regular (RG) service, salary, and contribution information that you paid to the member in the current year prior to their LTD start date.

If you are entering an LTD stop, you can record rehabilitation (RH) service, salary, and contribution information that was paid during the current year while the member was on LTD.

Note that the data entered here **does not** transfer to your member's account. The applicable RG and RH service event types (see section 7) **must** be included on your payroll report as separate lines of data.

If you enter information here, you can access it at any time on the website by selecting the RG/RH Reconciliation Report. This report can help you create either your payroll report or a secondary report to supplement your payroll report.

If your organization currently reports your members' RG/RH information on your payroll report, you may not need to complete this section.

LTD Start and Stop Submitted Report

This report allows you to view all submitted LTD start and stop information, track employees on LTD, and reconcile service event starts and/or stops.

Access the report from the website under the LTD Start/Stop section of the Employer Reporting portal. To generate a report, select LTD Start/Stop Submitted Report, enter the applicable start and stop dates then click Generate Report. If any information has been submitted by the Pension Corporation on your behalf, it will appear on your next report.

6.3.2.2 Standard format file

You can report LTD information for multiple members at the same time by using a standard format file, which is the preferred method of providing data. A standard format file is a fixed width file requiring a Header record that identifies the contents of the report, and a Trailer record that provides totals of the records within the file.

The requirements for the LTD Standard format file report are located in the Employment Record Layout instructions located in the Employer reporting section of the website. The Header and Trailer Record Layout instructions are in the same location.

The applicable RG and RH service event types (see section 7) **must** be included on your payroll report as separate lines of data.

Reporting salaries on standard format files:

It is imperative that the base salary you report reflects the salary at 100 per cent full-time work.

In the “Base Salary Frequency” field, enter the frequency that you pay the member their base salary:

- bi-weekly (BW),
- monthly (MN), or
- annually (AN).

If a member works at less than 100 per cent, report the salary at 100 per cent equal to the frequency you pay the member.

EXAMPLE

A member owns an 80 per cent position and is paid \$60,000 annually (80 per cent of the full-time salary of \$75,000).

When reporting this member’s information, you must provide us with the member’s percentage (in this case, 80 per cent) as well as the salary the member would be making if they were working in a 100 per cent position.

In the “Base Salary” field, enter \$75,000. In the “Base Salary Frequency” field, enter AN. Using this information, our system will convert the \$75,000 annual salary that you report to \$60,000. This converted salary will be used to create the member’s Pension Adjustment (PA) and *Member’s Benefit Statement* (MBS).

6.3.2.3 Excel File

If you are not able to submit in Standard format, you can create an Excel file to report multiple members' LTD information at the same time.

In the Excel file, you must provide the data in the correct column order with no header row. You can find instructions in the *LTD Service Break Report Layout* document in the Employer Portal. Click *Employer Reporting > Reporting Instructions*.

The applicable RG and RH service event types (see section 7) **must** be included on your payroll report as separate lines of data.

6.3.3 Position owned (%)

Enter 100 in this field if the member owns a 100 per cent full-time position. If the member owns a part-time position, enter the corresponding percentage. This number is based on the member's owned position, not the hours worked.

EXAMPLE

If the member owns a 63 per cent position, but usually works 89 per cent, enter 63.

6.3.4 WorkSafeBC compensation

There are two options for members receiving WorkSafeBC compensation:

Option 1: Replacement salary is paid directly to the member by WorkSafeBC

Replacement salary paid directly to the member by WorkSafeBC is not pensionable. Service, salary and contributions are not reported. For pension purposes the member is deemed to be on an unpaid leave of absence and they may be able to purchase this period of time under the plan's leave of absence purchase provisions (see section 2).

Option 2: Replacement salary is paid to the member through your payroll process

If you receive a member's WorkSafeBC replacement salary and pay the member through your payroll system, the earnings are pensionable. You and the member must make contributions on these earnings.

The member cannot be on approved LTD during this payment period. If WorkSafeBC replacement salary is less than their normal percentage of full-time salary and service, they may be able to purchase the difference (see section 2).

6.3.5 Retroactive WorkSafeBC compensation

It is common for a WorkSafeBC claim to be approved retroactively. For pension purposes, a retroactive claim is one with dates for prior year(s).

Possible scenarios:

- If the member is receiving a benefit from under an LTD plan, retroactive WorkSafeBC replacement salary is not pensionable.
- If the member is not on LTD and the WorkSafeBC claim is retroactively paid, the period must be purchased as arrears (see section 2).
- If WorkSafeBC has been sending you the member's replacement salary to be paid through your payroll, and then the LTD carrier backdates the member's LTD start date, request a refund of overlapping ineligible contributions (see sections 7 and 8).

6.3.6 Rehabilitation (RH) salary

If a member returns to work on a rehabilitative trial, the service, salary and contributions paid to them are reported as service event type RH on your payroll report (see section 7).

Although the RH data you report is **not** used in the calculation of the retirement benefit, the LTD service credited during this period is used.

6.3.7 Long-term disability (LTD) termination date

For pension purposes, a member receiving LTD from an approved group disability plan **is not** considered terminated even if you have removed them from your payroll system for any reason. You will still be required to confirm the member's information on the segment LTD Confirmation Report.

For pension purposes, the member's LTD stop date is the earlier of:

- the date the claim ends per the terms of the approved group disability plan, or
- the member's date of death.

If the member is age 55 or older, but under age 61, and their LTD stops, the member may apply for either a retirement benefit or a disability benefit.

If the member is under age 55, and their LTD stops, the member may apply for a disability benefit. If the member does not wish to apply for or is not eligible for a disability benefit, the member is eligible for the regular termination of employment options. See section 3.

If a member terminates employment at the end of their LTD and you administer the LTD (not BCTF or Morneau Shepell), you must:

- submit LTD stop information online.
- submit Employee Information at Termination/Retirement online if the member is not returning to work. You may need to contact the Plan prior to submitting the Employee Information at Termination/Retirement if the LTD is administered by BCTF or Morneau Shepell.
- have the member complete the pension forms, including the pension application, if they are proceeding directly to pension.

Please note: the LTD stop information must be submitted before the Employee Information at Termination/Retirement; both dates can be entered on the same day.

Members who recommence contributions to the plan are still active plan members and are not entitled to any retirement or termination benefits until they have terminated employment.

In the case of the member's death and you administer the LTD (not BCTF or Morneau Shepell), submit the LTD stop information online. You must also complete and submit a *Certification of Death* form.

Forms are located on the secure employer website under *Forms*.

6.3.8 Change of long-term disability (LTD) carrier/plan

If you change carriers or any terms of your existing approved group disability plan(s), you must follow the approval process outlined earlier in this section.

6.3.9 Payroll reporting and long-term disability (LTD) members

To avoid overlapping service events, the effective start date and effective end date for each member on your payroll report must reflect the actual period of time worked.

If a member is accepted on LTD, their LTD start date will only be accepted if the end date for their regular (RG) service event prior to the LTD was submitted correctly. For further payroll reporting information see section 7.

EXAMPLE

If a member's last day at work is May 10, May 10 should be the end date for the RG service event on your payroll report.

If the member is accepted on LTD on May 11, and you enter this date as the LTD start date online, it will be accepted.

Once a member has been accepted on LTD, the only service, salary and contributions that can be reported on your payroll report is service event type rehabilitation (RH). RH earnings may include salary top up, period(s) the member has returned to work on a trial basis, and any pensionable salary that the collective agreement stipulates must be paid to the member (e.g., sick leave).

6.3.10 Pensionable service overlap

A member on LTD receives pensionable and contributory service posted to their account as service event type LT if they were on LTD for any period during the segment.

In the year that the member starts or stops LTD, an overlap of service may occur if the LTD service we post and your reported service goes over the maximum allowable. If this occurs, we will reduce the LTD pensionable and/or contributory service and make any adjustments you have identified.

6.3.11 Ineligible service, salary and contributions

In some cases a member's LTD acceptance from the carrier is backdated. If you have been paying the member through the normal payroll process (e.g., using sick leave, other leave banks or WorkSafeBC replacement salary) and have previously reported this service, salary or contributions, you may need to apply for an ineligible refund (see sections 7 and 8).

6.3.12 Pension adjustment (PA)

When a member has been approved for LTD, service accumulates in their account and they will receive an annual PA statement to file with their income tax return (see section 9).

The benefit entitlement (BE) for a member receiving LTD is calculated using the salary at the start of the LTD period. Cost of living adjustments are also factored into the calculation.

6.4 LTD Confirmation Report

Members should apply directly to the Pension Corporation for a disability benefit.

Annually, a LTD confirmation report is posted in the File Pick-up tool in the Employer Portal. Click *Employer Reporting > File Pick-up*.

6.5 Disability benefit

A disability benefit is a monthly payment paid to members while they are totally and permanently disabled.

Disability benefits are only available to members who are not covered by an approved disability plan.

6.5.1 Eligibility

Disability benefits are paid to eligible members who are “totally and permanently disabled.” A member is totally and permanently disabled if the member has a total and permanent incapacity, arising from a mental or physical condition, to fill or occupy any position in the service of the employer which is made available to the member, the duties of which the member might reasonably be expected to fill. The member’s doctor and a doctor appointed by the corporation must certify, in writing, that the member is totally and permanently disabled.

In addition to being totally and permanently disabled, the following criteria must be met for the member to be eligible for a disability benefit. The member must be a:

- teacher on call (TOC), or
- deferred member, or
- principal or superintendent who is not eligible for coverage under an approved disability plan.

If the member meets the above criteria, then they must:

- have at least two years of contributory service, but less than 35 years contributory service,
- apply by age 61, and
- have terminated employment.

Once a member has been granted a disability benefit, we will request that the member submit regular reports confirming that the disability still exists.

6.5.2 Application and deadlines

There is a two year deadline to apply for a disability benefit.

The member must apply in writing to the corporation within two years of their last contribution to the Teachers’ Pension Plan.

6.5.3 Disability benefit calculation

Disability benefits do not include the bridge benefit.

The monthly amount of the disability benefit is calculated using the member's accrued pensionable service. It is then converted to the standard options available to retiring members. Please see section 4.6.2.

The benefit pays during the period of disability and for the member's life, as long as the member remains totally and permanently disabled until at least age 61 (see section 6.5.1).

Disability benefits:

- Do not include the bridge benefit.
- May provide the member with medical, extended health and dental benefits.

6.6 Period of disability ends

6.6.1 LTD benefits end

If a member's benefits under an LTD plan end,

- the member does not recommence contributions to the plan, and
- the member's employment is terminated,
- the member's options depend in part on the member's age.

If the member is age 55 or older, the member may apply for a retirement or disability benefit, if under age 61.

If the member is under age 55, the member may apply for a disability benefit. If the member does not wish to apply for, or is not eligible for a disability benefit, the member is eligible for the regular termination of employment options. See section 3.2.

Members who recommence contributions to the plan are still active plan members and are not entitled to any retirement or termination benefits until they have terminated employment.

6.6.2 Disability benefits end

If, after being granted a disability benefit, a medical examination shows that the member is no longer totally and permanently disabled, and they are under age 61, the disability benefit stops.

Submit a termination notice when a member stops receiving LTD.

If the member returns to work and begins contributing to the plan again, then the member's eventual retirement or termination benefit is paid as though the disability benefit had never been paid. The member's eventual benefit is not adjusted in any way because of the disability benefit, although the member will not have any service for the period of disability.

If the member does not return to work and does not contribute to the plan again, then they can apply for their retirement or termination benefit under the usual rules. The retirement or termination benefit is paid based on the member's accrued service and salary, with no adjustments.

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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
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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
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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 <i>MUST ONLY</i> 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

SECTION CONTENTS

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8 REMITTING CONTRIBUTIONS

This section outlines the process for remitting and balancing employee and employer contributions.

8.1 Payment frequency

The critical date is payroll pay date—the actual date that your employee is paid for the defined pay period.

Remit contributions on a regular basis, depending on your payroll cycle and the total contributions for the last calendar year.

- If member and employer contributions exceed \$100,000 per year, your payment is due within 15 days of each pay date.
- If member and employer contributions are less than \$100,000 per year, your payment is due within 30 days of each pay date.

The payroll pay date on the electronic *Teachers' Pension Plan remittance* form will be used to determine your payment due date. Remit separately for each pay date.

If we don't receive your payment by the due date, late interest will be charged. Refer to Part 2.8 of the plan rules.

8.2 Methods of payment

Electronic remitting (E-Remittance) is our standard process for remitting contributions to the plan. This is done by pre-authorized debit, through the E-Remittance tool in the Employer Portal.

Your primary user will set up the securities access to allow the appropriate individuals access to view, create or approve e-remit transactions. The E-Remittance tool provides these authorized users complete control to set up a remittance in advance, and choose the withdrawal date. System edits help to ensure contributions are in accordance with the plan rules. To remit electronically, refer to the *E-Remittance how-to* document in the E-Remittance tool in the Employer Portal.

If you are unable to remit electronically you can remit by cheque in an emergency. Make your cheque payable to the Teachers' Pension Plan and send it with the remittance form to the plan [mailing address](#) (not the address on the remittance form).

- If you have members in more than one pension plan administered by the corporation, use the plan-specific remittance form for each plan.

8.3 Electronic contribution remittance form

Pay date drives the contribution rate, e.g., if your payroll period is June 19 to June 29, and your pay date is July 3, deduct contributions based on the contribution rate in effect on July 3.

Employer contributions for a payroll period must equal employee contributions for the period + pensionable salary × the difference between employee and employer contribution rates.

Pensionable salary – line 1

Report the salary on which contributions were deducted.

Employee contributions – line 2

Report the employee contributions you deducted for this period. Employee contributions are calculated as a percentage of salary (see section 7.3.4 – Contributions).

If employee contribution rates change, apply the new rate to the entire pay period, based on the pay date.

Employer contributions – line 3

Employer contributions for active members continue until November 30 of the year in which the member reaches the latest retirement age (71). Report the employer contributions for this period. If the employer contribution rates change, apply the new rate to the entire period, based on the pay date.

See the plan rules for more information.

Payment of invoiced amounts – line 5

Make payments in a lump sum, within 30 days of the invoice date. We will apply interest to payments not received within 30 days.

Adjustments– line 6

Line 6 is used for adjustments or payments as instructed by the Plan.

Current year payroll adjustments should be reported on lines 1, 2 and 3 of your remittance.

You cannot make adjustments to a prior year's salary or contributions. If you find errors in prior years, request an arrears calculation or ineligible refund from the plan.

8.4 Balancing remitted contributions to reported data

The critical date to the balancing process is the pay date.

Timely and accurate member data is critical to Pension Adjustments, plan *Member Benefit Statements*, and the final calculation of benefits upon death, retirement or termination.

At the end of the reporting period (your last pay date in December), balance your remitted contributions and salary to the data you will file on your *Payroll Report* (Section 7.4). This balancing process ensures the pension fund has correct information on which to base benefits and PA statements.

To assist with this process, you can download *Balancing Help* from the E-Remittance tool in the Employer Portal. This PDF form, which includes total remittances to date, provides a guideline for balancing remitted funds to payroll data.

For a complete listing of remittances, download the report Request Remittance Detail. This is available in either PDF or in comma-delimited format, which can be loaded into most spreadsheet applications to assist with your balancing process.

On your *Payroll Report* include only those pay periods with a pay date within the reporting segment January 1–December 31. Verify all member data and correct errors prior to submitting your *Payroll Report* and final remittance for the year.

EXAMPLE

You have the following pay periods in December 20yy:

December 4 to December 15, 20yy, paid on December 22. Report this on your 20yy Payroll Report.

December 18 to December 29, 20yy, paid on January 5, 20xx. Report this on your 20xx Payroll Report.

If you have any questions regarding the remittance or balancing process, contact the Employer Operations at employer.services@penisonsbc.ca.

8.4.1 Current year arrears

Prior year arrears require a POS calculation.

If you discover you have not taken deductions for an employee for a period of service, take the following steps:

1. Advise the employee of the arrears situation and begin deducting contributions at once.
2. Request a purchase of service (POS) calculation (see Section 2). You will be invoiced for employer costs.

In a situation where the arrears are for the current year only, and the employee agrees to let you recover contributions by the end of the current year, you do not need to request a POS calculation. You can arrange with your employee to deduct the arrears contributions through the normal payroll process. In this case, include salary and contributions on lines 1, 2 and 3 of your regular remittance. Include the service, pensionable salary and contributions with the regular (RG) service event on your *Payroll Report*.

8.4.2 Current year ineligible contributions

If you discover you have taken deductions in error during the current year, take the following steps:

1. Refund the applicable contributions to the member.
2. Include the reduction of salary, employee and employer contributions on your next remittance.

Ensure the *Payroll Report* does not include the ineligible service, salary and contributions that you have refunded and recovered from your remittance. Report all remaining regular service, pensionable salary and contributions as a regular (RG) service event on your next *Payroll Report*.

You cannot refund ineligible contributions for a prior year. Contact Member Services for a refund of employer and employee contributions. If the period overlaps both a current and prior year, you should deal with the current year portion as noted above.

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9 PAs, E-PAs, PSPAs, APAs AND PARs

9.1 Pension Adjustment (PA)

A pension adjustment (PA) represents the value of the benefits a member earned in the previous year from their pension plan for service accrued after 1989. The Pension Corporation calculates the PA amount for all pension plan members based on the Service Event data each employer reports for the calendar year. This PA amount must be reported to the Canada Revenue Agency (CRA) each year.

If you choose to have your PA statements produced by the corporation, a T4A slip is created for each member and distributed to you by February 28 each year. Even though we report this information to CRA, it is your responsibility to distribute these to members (including members who are on LTD, LOA, etc.). If, however, you report the PA amount on your members' T4 slips, we will arrange to provide you with an electronic file. Under this option, you are required to report PA amounts to CRA directly. When a member has been approved for LTD, service will accumulate in their account and they will receive an annual pension adjustment (PA) statement to file with their income tax return. The benefit entitlement (BE) for a member receiving LTD is calculated using the salary at the start of the LTD period and includes any cost of living adjustments.

PA Calculation

PAs are calculated as follows:

$$PA = (9 \times \text{Benefit Entitlement}) - \$600$$

The Benefit Entitlement (BE) for each calendar year is calculated using the plan's pension formula, and the member's total pensionable salary during that year.

- For service accrued post 2017, the $BE = 1.9\% \times$ pensionable salary.

- For service accrued pre 2018, the BE = $(1.3\% \times \text{YMPE}) + (2\% \times \text{pensionable salary over YMPE})$.
- If a member does not have full service in a year, the BE is calculated using an annualized salary.
- If a member has worked for more than one employer in the same plan, the BE is calculated using a separate annualized salary for each employment and then combined to determine the total PA.
- For a member receiving LTD, the BE is calculated using the salary at the LTD start date and includes any applicable cost of living indexing.

EXAMPLES

Full Service Formulas

The following formulas apply based on when the service was accrued.

Service accrued on or after January 1, 2018:

Benefit earned = $1.9\% \times \text{earnings}$

PA = $(9 \times \text{BE}) - \text{offset}$

Service accrued prior to January 1, 2018:

Benefit earned = $(1.3\% \times \text{YMPE}) + [2\% \times (\text{earnings} - \text{YMPE})]$

PA = $(9 \times \text{BE}) - \text{offset}$

Example #1: service accrued on or after January 1, 2018

Using the following values:

Year: 2018

Annual salary: 87,500

Pensionable service: Full

Benefit earned = $1.9\% \times 87,500 = 1,662.50$

PA = $(9 \times 1,662.50) - 600 = 14,362.50$

Example #2: service accrued prior to January 1, 2018

Using the following values:

Year: 2017

YMPE: 55,300

Annual salary: 70,000

Pensionable service: Full

Benefit earned = $(1.3\% \times 55,300) + [2\% \times 14,700 (70,000 - 55,300)] = 1,012.90$

PA = $(9 \times 1,012.90) - 600 = 8,516.10$

EXAMPLES

Partial Service Formulas

The following formulas apply based on when the service was accrued.

Service accrued on or after January 1, 2018:

Annualized earnings = (actual earnings / pensionable service) ×
number of months in full year*

Annualized benefit = 1.9% × annualized earnings

Benefit earned = (annualized benefit × pensionable service) / number
of months in full year*

PA = (BE × 9) – offset

Service accrued prior to January 1, 2018:

Annualized earnings = (actual earnings / pensionable service) ×
number of months in full year*

Annualized benefit = (1.3% × YMPE) + [2% × (annualized earnings –
YMPE)]

Benefit earned = (annualized benefit × pensionable service) / number
of months in full year*

PA = (BE × 9) – offset

* 10 months for 10 month teachers or 12 months for 12 month teachers

Example #1: service accrued on or after January 1, 2018 for 10 month teacher

Using the following values:

Year: 2018

Pensionable salary: 70,000

Pensionable service: 8 months

Annualized earnings = (70,000/8) × 10 = 87,500

Annualized benefit earned = 1.9% × 87,500 = 1,662.50

Benefit earned = (1,662.50 × 8) / 10 = 1,330

PA = (1,330 × 9) – 600 = 11,370

Example #2: service accrued prior to January 1, 2018 for 10 month teacher

Using the following values:

Year: 2017

YMPE: 55,300

Pensionable salary: 75,000

Pensionable service: 8 months

$$\text{Annualized earnings} = (75,000/8) \times 10 = 93,750$$

$$\text{Annualized benefit} = (1.3\% \times 55,300) + [2\% \times 38,450 (93,750 - 55,300)] = 1,487.90$$

$$\text{Benefit earned} = (1,487.90 \times 8) / 10 = 1,190.32$$

$$\text{PA} = (1,190.32) \times 9 - 600 = 10,112.88$$

RRSP room calculation

CRA uses the PA to calculate a member's RRSP contribution room, to a maximum dollar limit, using the formula below.

EXAMPLE

$$\text{RRSP room} = (18\% \times \text{previous year's earnings}) - (\text{previous year's PA})$$

Continuing with the full service example from above: for any given tax year, the member will receive their PA by February 28th of the **following** year. CRA will use the PA to calculate RRSP room for that following year. Assuming the member had no income other than the \$50,000 pensionable salary, their RRSP room will be calculated as follows:

$$\text{RRSP room} = (18\% \times \$50,000) - (\$5,357) = \$3,643.$$

Members enter their PA amount on line 206 of their tax return. CRA calculates each member's RRSP deduction limit for the coming tax year, and sends the member a *Notice of Assessment*, which includes the amount of their RRSP contribution room for the year.

9.1.1 Distribution of PA statements (T4A slips – paper PA statements)

There are two different options to distribute your members' PA statements:

1. An electronic PA file is sent to you to populate your members' T4 slips. See section 9.1.1.1 Electronic PA (E-PA) files for T4 slips for details.
2. Paper PA Statements (T4A slips) are produced by the corporation and sent to you for distribution to plan members. We will produce and deliver your paper PA statements (T4A) to you for distribution as soon as we are able.

Employer Report

Along with your PA Statements, we provide you with a report listing your members who are receiving a PA statement. The report contains the member's SIN, name, PA amount, PA type, calculation date and 'notes' if applicable. It lists your members based on the sort option you selected.

PA type

There are different PA types: original, replacement and amended. The first PA calculated in the tax year for a plan member is the original. If an original PA amount changes before it is reported to Canada Revenue Agency (CRA), then the type becomes replacement. If the PA amount changes after it has been reported to CRA, it becomes an amended PA (APA).

Sort options

There are three different ways to have the PA statements (and Employer Report) sorted.

Name Sort

We put the member's name and address (if on record) on the PA statements and sort them alphabetically by last name.

Location and Name Sort

You choose any description, alpha and/or numeric, up to 29 digits for your location code. The member's name and address are printed on the PA statements and they are sorted alphabetically by last name, within each location code.

If you receive paper PA statements, there will be a separator page dividing each location. Employer Reports will be separated the same way as the PA statements.

Location, Sub-location and Name Sort

You choose any description, alpha and/or numeric, up to 29 digits for your location code and an additional 30 digits, alpha and/or numeric, for your sub-location code. The member's name and address are printed on the PA statements and they are sorted alphabetically by last name within each location and/or sub-location code.

If you receive paper PA statements, there will be a separator page dividing each location only. Within each location, sub-locations are sorted in ascending order. Employer Reports will be separated the same way as the PA statements.

Members on approved Long-term Disability (LTD)

- If you receive paper PA statements for your members, the information for your LTD members will be listed at the end of the Employer Report, regardless of the sort order you have chosen.
- If we have the member's address, we will mail the paper PA statements (T4A slips) to them directly.
- If you receive an electronic PA file for your members but receive paper PA statements for your LTD members, we will mail the paper PA statements (T4A slips) directly to these members.
- In a year where rehabilitative (RH) service, regular (RG) service, or pensionable salary is reported, and the member was on LTD for the year or part of the year, we will send the paper PA to you for distribution.

Members who terminated employment

The corporation will produce and mail paper PA Statements (T4A slips) directly to members with terminated employments in the calendar year. These members will be listed at the end of your Employer Report.

PA statements not provided

If you have not received a member's PA statement, there could be several reasons. To learn why, look for these 'notes' on the Employer Report:

- **“More data expected; PA supplied later”**
This means data is still being validated and/or a member worked for more than one employer during a calendar year and the data from all the employers needs to be posted to the member's account.
 - A amounts are combined for members with more than one plan employment. The PA statement will only be provided to the employer with the lowest ORG ID.
- **“Plan member deceased in tax year”**
PA statements are not issued for the year a plan member dies.

9.1.1.1 Electronic PA (E-PA) files for T4 slips

You may choose to have your members' PA information sent to you electronically so that you can populate the PA box on your members' T4 slips.

Considerations for E-PA reporting/files

- Available formats are: fixed width (.dat), tab delimited (.txt), comma delimited (.csv), or extensible markup language (.xml).
 - Fixed width (.dat) is a file that separates the data by defining the length of each field. Alpha character fields are padded with blanks and numeric fields are padded with zeroes.
 - Text pad (.txt) is a tab delimited format where the data is separated with a tab. No extra spaces—ensure your text editor does not automatically convert tabs to spaces.
 - Comma delimited (.csv) is a file that separates the data with commas. No extra spaces.
 - Extensible markup language (.xml) is a flexible way to create common information formats, and share both the information and the format on the web.
- Consult with your IT department and/or payroll provider to ensure you can accept/convert the E-PA files(s) and populate your members' T4 slips.
- Determine if your T4 program will produce a T4 slip for a member who paid no income tax and/or contributions in the tax year (e.g., LTD members). If not, we will produce paper T4s for these members.
- Your electronic PA file will be provided to you in time for you to include on your employee's T4 slip. We will confirm the date we will provide you with your electronic PA on the *Contact Confirmation For Employers* form you are asked to review each fall.
- Once the E-PA file is created and made available to you it cannot be changed and/or re-formatted. You must ensure you have the correct format selected on the *Contact Confirmation For Employers* form.

Contact Employer Operations to set up your user ID and password, which are necessary to access your file.

- Any original PAs calculated after the E-PA file has been sent to an employer and before the final PA run (done the third weekend each February) will be produced as a paper PA statement (T4A slip) and it will be mailed directly to the member. We report these PA amounts to CRA directly.
- Any adjustments to PAs that were originally submitted to you electronically will be sent to you electronically. We will also provide you with an Employer Report and *Authorization* form. Please note these would be amendments to information you reported on the member's T4 so it must be reported to CRA by you following their prescribed format requirements. This is done each June and December. Refer to section 9.2 for more details.
- Once an E-PA file has been produced, it cannot be recreated to produce paper T4As for members on LTD. If you select E-PAs for LTD members, you must ensure your T4 program can also produce T4 statements for them. Otherwise, you should select 'the corporation provides paper T4As for these members' option.

PA file pick-up process for Electronic PAs

We will advise your PA contact by email when your E-PA file is ready for pick-up. E-PA files are retrieved from the corporation's website through the File Pick-up portlet (on the Employer Reporting home page). See section 7.2 Web services for more information about File Pick-up.

Reporting the E-PAs to CRA and members

You must provide the electronic PAs to members for whom they were generated, and report the amounts to CRA via your T4 file.

9.2 Amended Pension Adjustment (APA)

An amended pension adjustment (APA) is a PA we have to recalculate because we have received new information about a member's pensionable service or salary. Purchasing a leave of absence or an arrears period can also generate an APA.

We will report the APAs directly to CRA in June and December for members where a paper PA statement (T4A slip) was originally produced for the member by us.

For employers who chose E-PAs, the amended PA employer report will be available for you to download on the corporation's website. Your PA contact will be notified by email when it is available for downloading through the File Pick-up portlet (on the Employer Reporting home page). See section 7.2 Web services, for more information about File Pick-up.

- This is an amendment of information you reported on the member's T4 so it must be reported to CRA by you following their prescribed format requirements.
- You must also notify plan members of the amended PA amount(s). You can choose how to inform your members of the amended PA.
- It is the employer's responsibility to inform CRA of the amended PA amount(s) if your members reported the original PA amount to CRA. Members do not have to inform CRA of the amended PA.

9.3 Past Service Pension Adjustment (PSPA)

CRA approval is required if the member wishes to purchase any post-1989 service with cash, in the form of a cheque, or money order.

A past service pension adjustment (PSPA) may be issued if a member purchases any post-1989 service. A PSPA corrects the difference between the sum of PAs reported to CRA for that period, and the sum of PAs that include the increased benefits from the purchased service.

A PSPA for the purchase of any post-1989 service must be certified (approved) by CRA.

If the PSPA for a given purchase exceeds the member's unused RRSP contribution room by more than \$8,000, CRA will send the member a letter stating the PSPA cannot be certified.

Members can reduce or eliminate PSPAs by:

- paying for a purchase by transferring funds from an RRSP, or
- de-registering (withdrawing) funds from an RRSP.

If a member has a PSPA that CRA won't certify, and the member cannot or does not take steps to reduce or eliminate the PSPA, the member will not be allowed to make the purchase.

9.4 Tax implications of purchasing service

Non-contributory service and reinstatements

Purchasing post-1989 non-contributory service or reinstating a refund for service that occurred after 1989 will result in a PSPA calculation. Members must either have the PSPA certified, or take steps to eliminate or reduce the PSPA to make the purchase. Purchasing or reinstating service that occurred before 1990 does not create a PSPA calculation and no certification is required.

Leave of absence

When a member purchases a leave of absence, a PSPA or an APA may be created.

If the member purchases the leave by April 30 of the year following the year in which the leave ended, an APA will be calculated and reported to CRA.

If the member purchases the leave after that date, a PSPA is calculated and reported to CRA if it is greater than \$50.

EXAMPLE

For a leave from October 1, 2000 to October 31, 2001, an APA is calculated if the member purchases the leave period before April 30, 2002. If the member purchases the leave after that date, a PSPA is calculated.

Arrears

Arrears for service after 1989 will generate an APA or a PSPA. If the member's participation in the plan was mandatory during the arrears period, an APA is generated. If the member's participation in the plan was optional during the arrears period, a PSPA is generated and reported to CRA if it is greater than \$50.

Even if a member chooses not to pay their portion of an arrears cost, the employer must always pay their portion, so an APA or a PSPA is always produced.

9.4.1 Receipts for tax deduction of contributions

It is important that members understand that purchases made from a severance or retiring allowance may affect RRSP room.

Contributions made to pay for purchases are tax-deductible in the same way that regular pension plan contributions are. If a member pays cash (in the form of a cheque or money order) or instructs their employer to forward severance pay or retiring allowance to the corporation, we will issue a receipt to the member to use when filing their income tax return for the year in which the payment is made.

If a member pays by RRSP transfer, we will not issue a receipt as the funds are already tax-sheltered and would have been deducted by the member at the time they were contributed. However, we will acknowledge receipt of these funds by sending the member a *Purchase Confirmation Letter*.

If you are paying for some or all of a member's purchase, then no tax receipt will be issued for the employer portion of the purchase.

In the event of payroll arrears you are required to remit both the employee and employer portions and then recover that amount from the member. You are responsible for indicating the deduction for the plan member's portion on their T4 slip.

9.5 Pension Adjustment Reversal (PAR)

Pension Adjustment Reversals (PARs) are issued to restore RRSP contribution room to members who terminate employment and transfer their retirement benefits out of the pension plan.

If a member leaves the pension plan before retirement, the total PAs and any PSPAs may have overestimated the value of the benefit earned after 1989, and the member may have lost too much RRSP contribution room. PARs give back that RRSP contribution room, where applicable.

PARs are issued for members who terminate employment after 1996 and transfer their benefit out of the plan, whether to an RRSP, another pension plan, or as a cash payment to the member.

Terminated members who leave their funds on deposit for a deferred retirement benefit do not receive PARs.

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10 DIVISION OF BENEFITS ON MARITAL BREAKDOWN

A former spouse should file a Form P1 immediately to protect their entitlement to a share in the benefit.

A pension is presumed by law to be a family asset, which means that it may be divided when a marriage breaks down. Part 6 of the *Family Law Act* governs how a pension may be divided between a plan member and their former spouse when they separate or divorce. Both parties should consider obtaining legal advice about dividing matrimonial property. The pension plan cannot provide advice about dividing pensions.

For further information, see the website tpp.pensionsbc.ca.

10.1 Determining the value of the retirement benefit

Your spouse is someone you are married to and have not been separated from for more than two years, or someone you have been living with in a marriage-like relationship for at least two years.

The Teachers' Pension Plan is a defined benefit plan, meaning that retirement benefit are based on a formula of years worked, earnings and retirement age. The plan member's contributions do not represent the entire value of the retirement benefit. If the member's former spouse is considering a cash payment rather than a pension split, it may be necessary to determine the value of the pension in order to divide it fairly. This is called a valuation. If one of your plan members or their former spouse requires a valuation, they should consult an actuary.

A former spouse can protect their entitlement to a share of the pension by submitting a *Form P1: Claim and Request for Information and Notice*. After the form is submitted, the plan will notify the former spouse of any subsequent significant transactions affecting the pension and can release to the former spouse the information necessary for an actuary to calculate the value of the pension. A court order or separation agreement is not required to submit the Form P1.

