

Contributions, Earnings and Pension Adjustments

Employer Education Session





Agenda

- 1. Contribution Remittance
- 2. Earnings and contributions
- 3. Pension Adjustments

Contribution Remittance

Contributions Remittance - Types

- Monthly contributions
- Pension Purchase contributions

Contribution Remittance - Overview

- Essential responsibility of CAAT participating employers
- Accurate contribution data facilitates accurate pension calculations for members
- Remittance data identifies contribution amounts and reporting period

Contribution Remittance - Overview

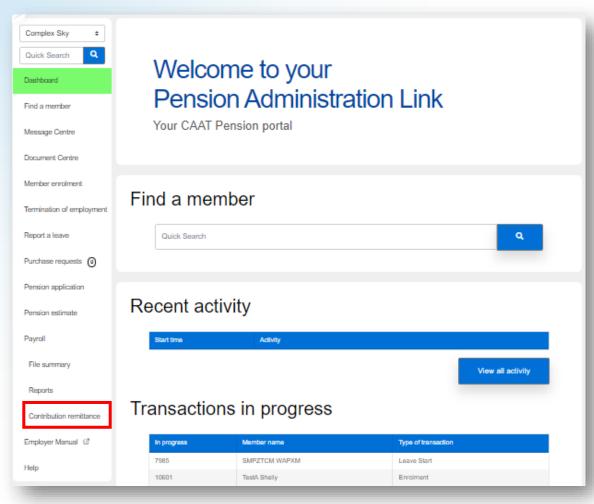
- Contributions must be received by CAAT by the 20th of each month in respect of the previous month
- Payments received after that date are subject to a late payment charge of 1.5% of the total contributions

Contribution Remittance - Overview



Closest previous business day applies if the 20th of the month falls on a weekend or holiday

Contribution Remittance - Log in



- Log in to PAL
- Select Contribution remittance from left navigation
- A recording of our May 2023 session is available here:

Contribution Remittances using PAL - YouTube

Importance of Contribution Remittance Summaries

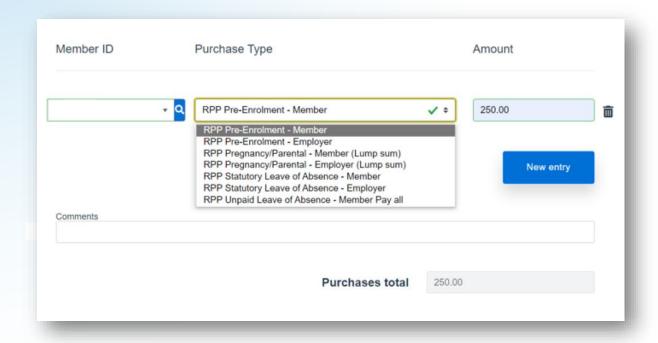
- Funds can only be deposited and allocated when the Contribution Remittance Summary is submitted via PAL.
- CAAT needs to know the breakdown of the funds to aid in other finance activities. Delays in receiving Contribution Remittance Summaries affect many aspects of the business.
- Missing Remittance Summaries could lead to late fees and additional back and forth communication.
- Contribution Remittance Summaries are required with every payment made. Please ensure the payment date and the amount of the remittance match what was sent to CIBC Mellon.

Contribution Remittance - Purchases

Purchases contributions remittance

 Lump sum pregnancy/parental leave, statutory leave of absence, transfer-in, etc.

Contribution Remittance



If you are submitting contributions for a pension purchase:

- Search for the Member ID
- Select the Purchase Type
- Include the Amount
- Add Comments if you wish

Contribution Remittance

- Electronic Funds Transfer (EFT) is CAAT's preferred method for Employers to remit funds
- Please contact your Employer Pension Analyst for other forms of payment if you are unable to remit by EFT

Contribution Remittance - EFT

- CAAT's EFT instructions can be provided by your Employer Pension Analyst.
- Upon receipt, our custodian, CIBC Mellon will transfer the funds to CAAT's custody account.
- The payment advice should be emailed to finance@caatpension.ca

Contributions - Additional Information

- Do not send personal E-Transfers to CAAT's email, this is not an option for remittance
- If you find an error on your Remittance Summary after it has been submitted, you can edit and resubmit if the Payment Status is still Pending
- If you find an error in the amount of funds sent, you can remit more or less on the next month's remittance

Need help with your Remittances?

Contact your Pension Analyst

Earnings and Contributions

Earnings types for Contribution calculation

Eligible

- Regular Salaries
- Overtime Pay
- Statutory Holiday Pay
- Bonuses
- Vacation Pay

Non-Eligible

- Gratuities
- Membership Fees
- Mileage/Retirement Allowances
- Taxable Benefits
- Life Insurance (taxable benefits)

DBplus Contribution Maximum

- The combined total of member and employer contributions cannot exceed the year's Money Purchase Limit
 - **2024 \$32,490**
- Once total contributions for a member have reached the annual limit, no further contributions should be made for the rest of the year
- Similar to method used for Canada Pension Plan contributions
- Aligns with the Plan Text and any applicable Participation Agreements

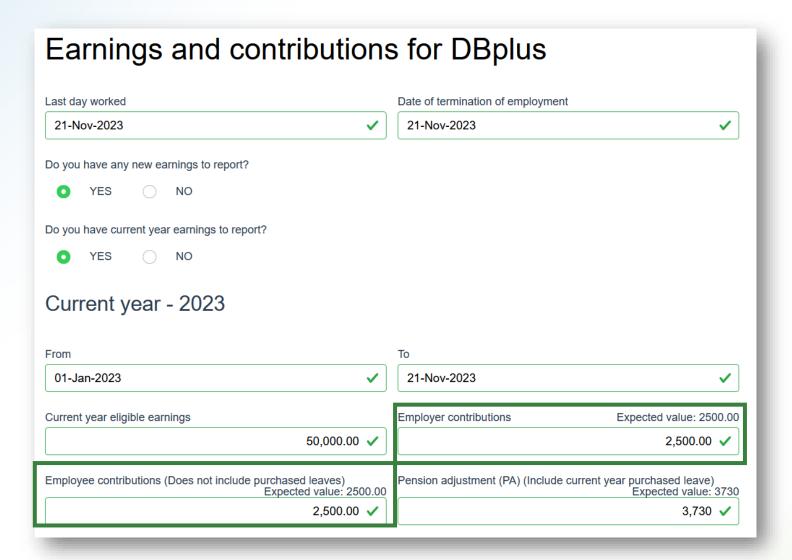
DBplus Contribution Calculation

- Contribution rate:
 - Set out in the Exhibits of your Participation Agreement
 - % of eligible earnings



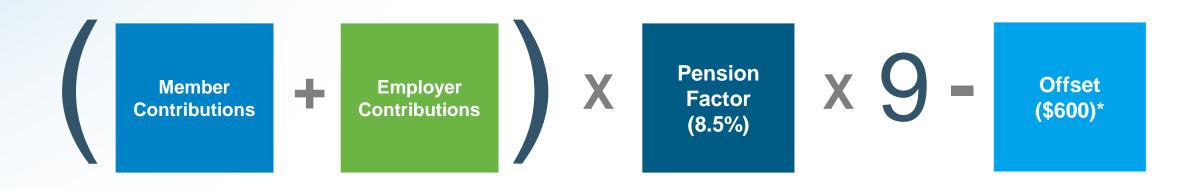
- Contribution maximums based on Canada Revenue Agency Money Purchase maximums
 - 2024 Maximum DBplus contributions: \$32,490

PAL will calculate the Contributions



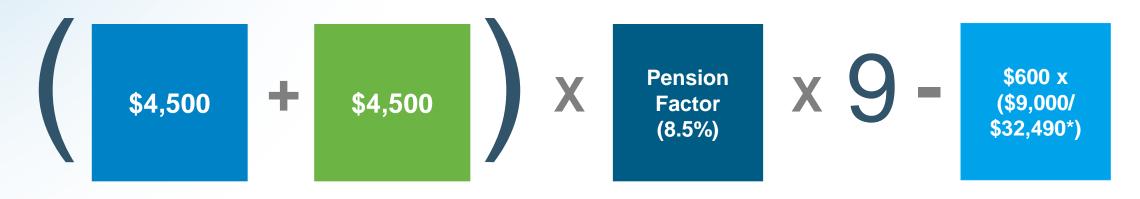
Pension Adjustment (PA)

DBplus - Pension Adjustment calculation



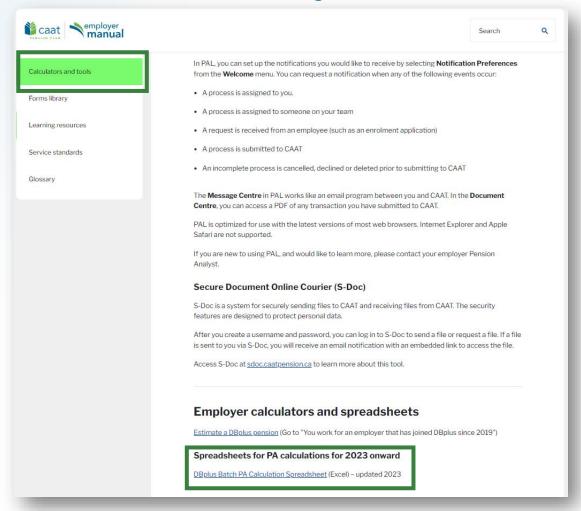
*prorated based on: (Member + Employer Contributions) + Money Purchase Limit

DBplus - Pension Adjustment example



* 2024 Money Purchase Limit

DBplus Pension Adjustment Tools



DBplus Batch Pension Adjustment Calculation Spreadsheet

CAAT Pension Plan
DBplus Batch PA Calculation for Future Accrual Only (FAO) Employers

Clear



Year: 2023 Annual Pension Factor: 8.5%

Maximum Contributuions (Money Purchase Limit): \$31,560

Maximum PA: \$30,960

This spreadsheet is intended to be used for calculating PAs for active members in the DBplus design. It does not take into consideration current year contributions made to a DB or DC pension plan prior to the enrolment date, in determining maximum contributions. For FAO employers in the first year of PA reporting, we use a \$600 offset and this will be prorated between the prior plan and DBplus. Contact your Employer Pension Analyst for more details.

The CAAT Pension Plan will calculate PAs related to any long-term disability periods.

Results are based on information provided by the user, and are neither reviewed nor verified by the CAAT Pension Plan. Please check the CAAT Pension Plan website to ensure you are using the current version of this spreadsheet.

		Member	Employer				
Member		Contributions (Actual	Contributions (Actual				
SIN/ID/EE No.	Name	+ Deemed)	+ Deemed)	Total Contributions	Benefit Accrual	Pension Adjustment	Warnings
1	Example 1	\$2,000.00	\$2,000.00	\$4,000.00	\$340.00	\$2,984	
2	Example 2	\$1,200.00	\$1,200.00	\$2,400.00	\$204.00	\$1,790	
3	Example 3	\$6,605.00	\$6,603.00	\$13,208.00	\$1,122.68	\$9,853	Member contributions cannot exceed employer contributions. Please review.
4	Example 4	\$15,800.00	\$15,800.00	\$31,600.00	\$2,682.60	\$23,543	Total contributions exceed maximum allowable. Benefit Accrual has been capped based on maximum contributions.

