



# Contributions, Earnings and Pension Adjustments

Employer Education Session

November 18, 2024





# 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

- Employers can remit contributions based on their payroll schedule
- Cannot be less frequent than monthly (but can be weekly or biweekly or semi-monthly)
- Contributions must be received by CIBC Mellon by the 30<sup>th</sup> calendar day following the end of the month to which the contributions relate

For example, contributions in respect of the month of May must be received **no later than** June 30.

**Exception:** If the 30th day following the end of the month falls on a weekend or statutory holiday, the due date shifts to the previous business day.

This remittance timeline applies to all CAAT participating employers, including where a Participation Agreement and/or MOA between a participating employer and the Plan may provide for a less generous

Month	Deadline to file contribution remittance
January 2024	March 1, 2024
February 2024	March 28, 2024
March 2024	April 30, 2024
April 2024	May 30, 2024
May 2024	June 28, 2024
June 2024	July 30, 2024
July 2024	August 30, 2024
August 2024	September 27, 2024
September 2024	October 30, 2024
October 2024	November 29, 2024
November 2024	December 30, 2024
December 2024	January 30, 2025

If the 30<sup>th</sup> of the next month falls on a weekend or holiday, the deadline is the closest previous business day.

# Contribution remittance: Using PAL

Complex Sky

Quick Search

Dashboard

Find a member

Message Centre

Document Centre

Member enrolment

Termination of employment

Report a leave

Purchase requests

Pension application

Pension estimate

Payroll

File summary

Reports

**Contribution remittance**

Employer Manual

Help

Welcome to your  
Pension Administration Link  
Your CAAT Pension portal

Find a member

Quick Search

Recent activity

Start time Activity

View all activity

Transactions in progress

In progress	Member name	Type of transaction
7985	SMPZTCM WAPXM	Leave Start
10601	TestA Shelly	Enrolment

- Log in to PAL and you'll find Contribution remittance in the left menu under "Payroll"
- Select **Contribution remittance** from left navigation
- Training session PDF:

[Contribution Remittances Using PAL](#)



# Contribution remittance: Using PAL

Quick Search

Dashboard

Find a member

Message Centre

Document Centre

Member enrolment

Termination of employment

Report a leave

Purchase requests 0

Pension application

Pension estimate

Data Collection Tool

Payroll

File summary

Contribution remittance

Help

## Contribution remittance

Start a contribution remittance and view/modify previous submissions

### Start a remittance submission

Unreported pay period    Reported pay period

### Remittance history

CRF ID	Process ID	Payment Date	Remittance period	Type	Total payment amount	Payment status	Modified on	Modified by
1033		07-May-2023	30-Apr-2023	Contributions	1,260.00	Payment received	16-May-2023	CAAT
735		09-Apr-2023	31-Mar-2023	Contributions	1,260.00	Payment received	02-May-2023	CAAT
357		08-Mar-2023	28-Feb-2023	Contributions	1,260.00	Payment received	11-Mar-2023	CAAT

1 - 4 of 4 items

- Contribution Remittance reporting is required for CIBC Mellon to identify your payment made to the Plan
- You can conveniently submit payroll files and Contribution Remittance Summaries on PAL to accompany contribution payments
- 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





# Contribution remittance: Purchases

## **Purchases contributions remittance**

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

# Contribution remittance: Purchases

Member ID	Purchase Type	Amount
<input type="text"/>	<input type="text" value="RPP Pre-Enrolment - Member"/> 	<input type="text" value="250.00"/> 
<div style="border: 1px solid #ccc; padding: 5px;"><p>RPP Pre-Enrolment - Member</p><p>RPP Pre-Enrolment - Employer</p><p>RPP Pregnancy/Parental - Member (Lump sum)</p><p>RPP Pregnancy/Parental - Employer (Lump sum)</p><p>RPP Statutory Leave of Absence - Member</p><p>RPP Statutory Leave of Absence - Employer</p><p>RPP Unpaid Leave of Absence - Member Pay all</p></div>		
<input type="text" value="Comments"/>		
<b>Purchases total</b>		<input type="text" value="250.00"/>

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

# Contributions – How to Submit Contributions

- Online Biller Pay
  - Compatible Banks: CIBC, TD Canada Trust, RBC, BMO, National Bank and Scotiabank
- Electronic Fund Transfers (EFT)
  - Direct transfer between employer and CAAT

# How to Submit Contributions – Online Biller Pay

## Important information to note

- Search for “CAAT” as Payee Name
  - Full name – CAAT PENSION PLAN – EMPLOYERS
- Account Number will be your Employer Group Number with leading zeros to make 10 digits
  - Group number = 500
  - Account number = 0000000500

The screenshot shows a web form titled "Add Canadian Payee" with a progress bar at the top indicating three steps: 1. Payee Details (active), 2. Verification, and 3. Confirmation. A "Help" link is in the top right corner. Below the progress bar, instructions state: "First enter your payee's name. If the name doesn't appear, please click **Search** to view the full list of available payees. You'll then be able to enter your account number." A note says "All fields are required unless noted as optional." The "Enter Payee Name" section has a "Payee Name" input field containing "CAAT PENSION PLAN" and a "Search" button. Below this, it says "As you enter the payee name, matching payees will appear." The "Enter the account number from your bill." section has an "Account Number" input field with a red error message: "Do not include spaces or dashes." and a red warning: "Please enter the account number on your bill or statement from this company." To the right is an optional "My Payee Name" field with the instruction: "Add a description for each payee, so you can identify your accounts quickly. Eg: Home Internet Bill." At the bottom are "Next" and "Cancel" buttons.

# How to Submit Contributions – EFT

- Electronic Fund Transfers (EFT)
  - Direct transfer between employer and CAAT
- Please direct the EFT payments relating to contribution remittances to the following bank account:

<b>Name of Bank</b>	CIBC
<b>Address of Branch</b>	199 Bay Street, Toronto, ON M5L 1G9
<b>Transit No.</b>	00002
<b>Institution No.</b>	010
<b>Account No.</b>	1573411
<b>Payment Reference</b>	CAAT Pension Plan

# Importance of Contribution Remittance Summary

- Funds can be deposited and allocated only after a **Contribution remittance summary** is submitted via PAL.
- CAAT needs to know the breakdown of the funds to aid in other finance activities, so delays in receiving a **Contribution remittance summary** affect many aspects of the business
- Missing remittance summaries can also 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**

# Earnings and contributions



# Earnings types for contribution calculation

## Eligible

- Regular salary
- Overtime pay
- Statutory holiday pay
- Bonuses
- Vacation pay

## Non-Eligible

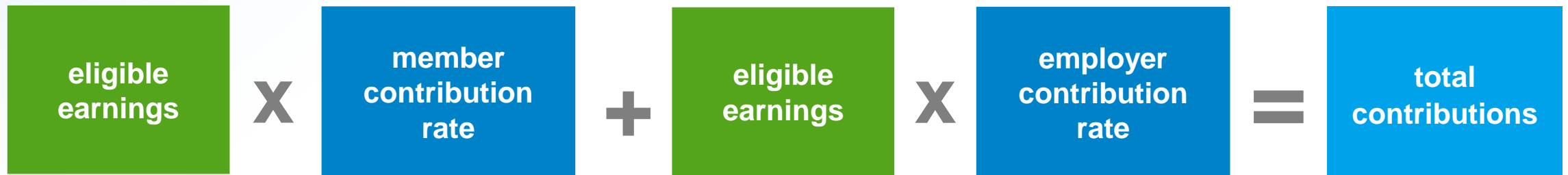
- Gratuities
- Membership fees
- Mileage allowance
- Retirement allowance
- Taxable benefits
- Life insurance (taxable benefits)

# DBplus contribution maximum

- The combined total of member and employer contributions cannot exceed the year's **money purchase (MP) limit**
  - **2024 = \$32,490**
  - **2025 = \$33,810**
- If total contributions for a member have reached the annual limit, no further contributions should be made for the rest of the year
- Similar to the 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
  - Percentage of eligible earnings



- Contribution maximums based on Canada Revenue Agency MP limit
  - 2025 Maximum DBplus contributions: **\$33,810**

# DBplus: Contributions

Current year - 2024

From	To
01-Jan-2024	31-Oct-2024 ✓
Current year eligible earnings	Employer contributions Expected value: 4500.00
50,000.00 ✓	4,500.00 ✓
Employee contributions (Does not include purchased leaves) Expected value: 4500.00	Pension adjustment (PA) (Include current year purchased leave) Expected value: 6719
4,500.00 ✓	6,719 ✓

PAL will calculate the contributions for member and employer

# Pension adjustments

# DBplus: Pension adjustment calculation

$$\left( \begin{array}{c} \text{member} \\ \text{contributions} \end{array} + \begin{array}{c} \text{employer} \\ \text{contributions} \end{array} \right) \times \begin{array}{c} \text{pension} \\ \text{factor} \\ (8.5\%) \end{array} \times 9 - \begin{array}{c} \text{offset} \\ (\$600)^* \end{array}$$

**\* Prorated based on: (member + employer contributions) ÷ money purchase limit**

# DBplus: Pension adjustment example

$$\left( \$4,500 + \$4,500 \right) \times \text{pension factor (8.5\%)} \times 9 - \$600 \times (\$9,000 / \$32,490^*)$$

\* 2024 money purchase limit

**\$6,719 = pension adjustment**



# Pension Factor change for DBplus pension accrual

- The pension factor will change to 9.5% effective January 1, 2025
- This pension factor should be used for DBplus member Pension Adjustments in 2025 and thereafter
- Any earnings included in a 2024 retirement that were paid in January 2025 will be subject to the 8.5% accrual rate (carryover)

# DBplus: Using PAL

## Current year - 2024

From

01-Jan-2024

To

31-Oct-2024 ✓

Current year eligible earnings

50,000.00 ✓

Employer contributions

Expected value: 4500.00

4,500.00 ✓

Employee contributions (Does not include purchased leaves)  
Expected value: 4500.00

4,500.00 ✓

Pension adjustment (PA) (Include current year purchased leave)  
Expected value: 6719

6,719 ✓

PAL will calculate the pension adjustment

# DBplus: Pension adjustment tools

The screenshot displays the 'employer manual' website interface. On the left is a navigation menu with the following items: Termination, Working past age 65, Retirement, Death benefits, Payroll-based reporting (PBR), **Calculators and tools** (highlighted in green), Forms library, Learning resources, Service standards, and Glossary. The main content area is titled 'Employer calculators and spreadsheets' and contains the following links:

- [Estimate a DBplus pension](#) (Go to "You work for an employer that has joined DBplus since 2019")
- Spreadsheet for PA calculations for 2023 onward**  
[DBplus Batch PA Calculation Spreadsheet for Employers that participate in DBplus only](#) (Excel)
- Spreadsheet for PA calculations before December 31, 2022**  
[DBplus Batch PA Calculation Spreadsheet for Employers that participate in DBplus only](#) (Excel) – up to December 31, 2022

# DBplus Batch PA Calculation Spreadsheet

CurrYear: 
ver: 1\_2024

**CAAT Pension Plan**
Clear

**DBplus Batch PA Calculation for Future Accrual Only (FAO) Employers**

Year: 
Annual Pension Factor: 8.5%

Maximum Contributions (Money Purchase Limit): \$32,490  
 Maximum PA: \$31,890

*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.*

*Results are based on information input by the user and the CAAT Plan does not review or verify the results. The CAAT Plan reserves the right to make any revisions to the tools. Please check the description of the spreadsheets in the Employer Manual to ensure you are using the correct version.*

Member SIN/ID/EE No.	Name	Member Contributions (Actual + Deemed)	Employer Contributions (Actual + Deemed)	Total Contributions	Benefit Accrual	Pension Adjustment	Warnings
1				\$0.00	\$0.00	\$0	
2				\$0.00	\$0.00	\$0	
3				\$0.00	\$0.00	\$0	
4				\$0.00	\$0.00	\$0	
5				\$0.00	\$0.00	\$0	
6				\$0.00	\$0.00	\$0	
7				\$0.00	\$0.00	\$0	
8				\$0.00	\$0.00	\$0	
9				\$0.00	\$0.00	\$0	
10				\$0.00	\$0.00	\$0	
11				\$0.00	\$0.00	\$0	

PA Calculation Table +

