



Leaves and pension purchases

Employer Education Session
for DB plus

October 3, 2024





Agenda

1. Overview of leaves
2. Reporting leaves
3. Overview of pension purchases
4. Purchasing leaves
5. Purchasing periods of prior employment before enrolment

Overview of leaves



Important terms

1. Deemed earnings:

The earnings a member was receiving just prior to their disability leave start date

2. Actual earnings:

The earnings that a member is receiving during their leave from their employer, their insurance provider and/or a workers' compensation program

Overview of leaves

Eligible leave periods for pension purchases

Statutory leaves

- Maternity/pregnancy, parental or adoption leave
- Emergency leave or any other regulated statutory leaves
- Purchase costs are shared between you and the member if the purchase is initiated within 6 months; paid 100% by member if later

Non-statutory leaves

- Leave of absence (any employer-approved leave not defined by legislation)
- Grievance, layoff or work stoppage
- Purchase costs will be 100% covered by the member

Eligible leave periods will also be displayed in the member portal: My Pension

Overview of leave types

Maternity/pregnancy, parental or adoption leaves

Elect to contribute

- Ongoing payroll deductions from Supplementary Unemployment Benefit (SUB) Plan or other top-up plan
- A member may contribute using post-dated cheques
- No additional form is required

Elect not to contribute

- Members must sign and date the waiver section of Leave notification and purchase request form
- Members have 6 months from the date they return to work to purchase their leave periods
 - With employer contributing
 - Without any purchase adjustment factor being applied

Contribution calculations should be based on the deemed earnings for Maternity/pregnancy, parental or adoption leaves

Overview of leaves

Disability leaves

Short-term disability (STD):

- Members must contribute based on their actual earnings from their employer
- Members can choose to contribute based on their benefit payments from an insurance plan

Long-term disability (LTD):

- Members can choose to contribute based on LTD benefit payments from an insurance plan
- If members choose not to contribute, they cannot purchase the period at a later date

Workers compensation (WC):

- **Ontario WSIB:** No contributions needed for the first 12 months; pension continues based on their deemed earnings; after this period, members can choose to contribute on WSIB earnings
- **Other jurisdictions:** Members can choose to contribute based on actual WC earnings

Overview of leaves

Disability leaves (continued)

- Disability leave must be reported to the Plan within 30 days of the leave start date
- A disability form is required after reporting the disability leave status to the Plan
- Disability forms are available in the "[Forms Library](#)" section of the [Employer Manual](#) on Pension Administration Link (PAL)
- Members who elect not to contribute during their disability leave **will not** have the option to purchase this period later

**These are the standard disability provisions under DB plus.
For specific provisions applicable to your employees, please consult your Participation Agreement with CAAT.**

Reporting leaves

Reporting leaves

Via payroll-based reporting (PBR)

Leave code	Code description
PRG	Maternity/Parental/Adoption leave – continued contributions
PRN	Maternity/Parental/Adoption leave – no contributions
LOA	Unpaid leave of absence
LAY	Temporary lay off
STL	Authorized statutory leave

- Example: Reporting PRG and ACT via PBR

	A	B	C	D
1	EMPNO	SIN	ESTATUS	ESTATUS_EDATE
2	123	xxxxxxxxxx	PRG	1/1/2024
3	123	xxxxxxxxxx	ACT	10/1/2024

Reporting leaves

Via payroll-based reporting (PBR) – (continued)

Disability leave code	Code description
LTD2	Elect to contribute on LTD earnings
	Elect to contribute after 12 months of waiver period (WSIB – ON)
	Elect to contribute on WC earnings
NC2	Elect not to contribute on LTD earnings
	Elect not to contribute after 12 months of waiver period (WSIB – ON)
	Elect not to contribute on WC earnings
WP2	12 months of waiver period – no contributions required (WSIB – ON)

- Example: Reporting a member's disability leave via PBR

	A	B	C	D
1	EMPNO	SIN	ESTATUS	ESTATUS_EDATE
2	123	xxxxxxxxxx	LTD2	1/1/2024

- Warning message during validation:
 - CPS-50023: Employment status changed impacting LTD/WSIB, please ensure the corresponding disability form is sent to CAAT

Reporting leaves

Via Pension Administration Link (PAL)

Quick Search

Dashboard

Find a member

Message Centre

Document Centre

Member enrolment

Change of employment

Termination of employment

Report a leave

Purchase requests 0

Pension application

Pension estimate

Contribution remittance

Data Collection Tool

Help

Report a leave

Begin reporting a member's leave

Find a member

Social Insurance Number

Member ID

First name

Last name

Search results

First name	Middle initial	Last name	Social Insurance Number	Date of birth	Member ID	Employment status
------------	----------------	-----------	-------------------------	---------------	-----------	-------------------

Reporting leaves

Via Pension Administration Link (PAL) (continued)

The screenshot displays the Pension Administration Link (PAL) interface. On the left is a navigation menu with the following items: 'Change of employment', 'Termination of employment', 'Report a leave' (highlighted in green), 'Purchase requests' (with a notification icon), 'Pension application', 'Pension estimate', 'Contribution remittance', 'Data Collection Tool', and 'Help'. At the top right, there are two buttons: 'Report a leave start' (highlighted with a red border) and 'Report a leave end'. The main content area is titled 'Leave records – select to view or update'. Below the title is a table with the following columns: 'Process ID', 'Status', 'Type of transaction', 'Leave type', and 'Leave date'. The table is currently empty. At the bottom of the table, there is a pagination control showing '0' items, a dropdown menu set to '5' items per page, and the text 'No items to display'.

Change of employment

Termination of employment

Report a leave

Purchase requests 0

Pension application

Pension estimate

Contribution remittance

Data Collection Tool

Help

Report a leave start

Report a leave end

Leave records – select to view or update

Process ID	Status	Type of transaction	Leave type	Leave date
------------	--------	---------------------	------------	------------

0 items per page No items to display

Reporting leaves

Via Pension Administration Link (PAL) (continued)

Report a leave

Purchase requests ①

Pension application

Pension estimate

Payroll

File summary

Reports

Contribution remittance

Employer Manual ↗

Help

Before the start of the leave, the member was earning a pension under: **DBplus**

Leave type

- Authorized Statutory Leave
- Unpaid Leave of Absence
- Grievance
- Temporary Lay Off
- Strike
- Parental Leave – Deductions
- Parental Leave – No payroll deductions
- Disability**
 - LTD/WCB Contributing
 - LTD/WCB Non-contributing
 - WSIB – Waiver Period

Leave start date

DD-MMM-YYYY

01-Feb-2022

Employment status

Active

Reporting leaves

Via Pension Administration Link (PAL) (continued)

Earnings and contributions for DBplus

Active period start date (First work day of the first pay period worked in the year, before the leave)

Active period end date (Last work day before the leave started)

Current year - 2023

Current year eligible earnings (Do not include taxable benefits) <input type="text" value="###"/>	Employer contributions <input type="text" value="###"/>	Expected value: 0.00
--	--	----------------------

Member contributions (Does not include purchased leaves) <input type="text" value="###"/>	Expected value: 0.00
--	----------------------

Employer authorization

Employer HR representative <input type="text" value="████████████████████"/>	Date <input type="text" value="23-Oct-2023"/>
---	--

Assign to

Reporting leaves in PAL

(continued)

Termination of employment

Report a leave

Purchase requests ①

Pension application

Pension estimate

Payroll

File summary

Reports

Contribution remittance

Employer Manual ↗

Report a leave start

Report a leave end

Leave records – select to view or update

Process ID	Status	Type of transaction	Leave type ↑	Leave date
[REDACTED]	Submitted	Leave Start	Unpaid Leave of Absence	[REDACTED]

« ‹ 1 › » 5 items per page 1 - 1 of 1 items

Reporting leaves in PAL

(continued)

Report a leave end ✕

Select an existing Leave start or continue without selection to report a leave end.

Leave type	Leave start date	Case number	Process ID	Sent to CAAT
Unpaid Leave of Absence	01-Aug-2022	CA0215088	7772	04-Nov-2022

« 1 »

Continue without selection **Cancel**

Process ID	Status	Type of transaction	Leave type	Leave date
7772	Submitted	Leave Start	Unpaid Leave of Absence	01-Aug-2022

Reporting leaves in PAL

(continued)

Quick Search

Dashboard

Find a member

Report a leave

Begin reporting a member's leave

Report a leave end

Select an existing Leave start or continue without selection to report a leave end.

Leave type	Leave start date	Case number	Process ID	Sent to CAAT
------------	------------------	-------------	------------	--------------

Continue without selection Cancel

Reports

Contribution remittance

5 items per page

No items to display

Reporting leaves in PAL (continued)

Termination of employment

Report a leave

Purchase requests ①

Pension application

Pension estimate

Payroll

File summary

Reports

Contribution remittance

Before the start of the leave, the member was earning a pension under: **DBplus**

Leave start process ID

Leave end date (day prior to return to work)
DD-MMM-YYYY

Has member returned to work?
 YES NO

Leave type

- Authorized Statutory Leave
- Unpaid Leave of Absence
- Grievance
- Temporary Lay Off
- Strike
- Parental Leave – Deductions
- Parental Leave – No payroll deductions
- Disability**
 - LTD/WCB Contributing
 - LTD/WCB Non-contributing
 - WSIB – Waiver Period

Employer authorization

Reporting leaves in PAL

(continued)

Termination of employment

Report a leave

Purchase requests ①

Pension application

Pension estimate

Payroll

File summary

Reports

Contribution remittance

Employer Manual [↗](#)

Before the start of the leave, the member was earning a pension under: **DBplus**

Leave start process ID

Leave type **Unpaid Leave of Absence**

Leave end date (day prior to return to work)

Leave reported date **23-Oct-2023**

October 2023						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4
5	6	7	8	9	10	11

zation

Date

Reporting leaves in PAL (continued)

Termination of employment

Report a leave

Purchase requests ①

Pension application

Pension estimate

Payroll

File summary

Reports

Contribution remittance

Employer Manual [↗](#)

Before the start of the leave, the member was earning a pension under: **DBplus**

Leave start process ID

Leave type

Leave end date (day prior to return to work)

Leave reported date

Has member returned to work?
 YES NO

Reason

Retirement

New leave started

Death

Overview of pension purchases



What is a pension purchase?

1. A pension purchase is an **option** under the Plan whereby a member has a period of employment during which they have not made contributions, but then they choose to make contributions after the fact, so they can accrue pension for that period.
2. You may have heard of this also called a "**buyback.**" It applies to most leaves of absence and to some other periods of employment prior to enrolment.

Why make a purchase?



Create a bigger pension



Collect retirement income from one secure source



No commissions or fees



More retirement options



Total pension receives CAAT Plan benefits

Purchasing leaves

Purchasing leaves

Employer responsibilities:

- Communicate the option to purchase
- Calculate contribution cost and complete form
- Communicate the option for the member to remit cash payment through their online banking
- Request pre-authorized T2033 for RRSP purchases
- Remit matching portion, if required

Purchasing leaves – Electronic member payment

- Member can remit payment through online banking:
 - Select CAAT PENSION PLAN - MEMBERS
- Member submits the signed leave form to the employer
- No regular contributions

Important note:

- Statutory leaves may be purchased using cash only if the leave is purchased within six months of return to work

PA vs. PSPA

Pension adjustment (PA)

- Represents the value of the pension benefits a member earned for the year
- Reduces the member's RRSP contribution room the following year
- Required if pension purchase occurs during January 1 to December 31 for a leave that occurred in the same calendar year, or during January 1 to April 30 for a leave that occurred in the previous calendar year

Past service pension adjustment (PSPA)

- Sum of the additional benefits that would have been included in a member's PA if the benefits had been provided in the previous year
- Required if purchase is made between May 1 to December 31 for a period that is in a previous calendar year

PSPA approval and sending payment

1. Send payment to CAAT when completing form
2. CAAT will calculate PSPA and request approval
3. Most PSPAs are approved so this will speed up the process



Purchasing leaves – Contribution remittance

Document Centre

Member enrolment

Termination of employment

Report a leave

Purchase requests ①

Pension application

Pension estimate

Payroll

File summary

Reports


Contribution remittance

Employer Manual ↗

Help

Select remittances you will be reporting

Payroll contributions Purchases

Member ID	Purchase Type	Amount
<input type="text"/>	<input type="text"/>	<input type="text" value="#.##"/> 

Comments

Purchases total

Purchasing leaves – Member portal

Eligibility

- Registered user of **My Pension** portal
- Member belongs to an employer who is registered on PAL
- Member has Active plan status
- Leave periods within six months after leave end date

Purchasing leaves – Member portal

Dashboard

Member Information

Estimate your pension

Purchase your leave

Document Centre

Message Centre

Help

Purchase your leave

Find eligible purchase periods, start a purchase and view your purchase history

Purchase periods

Your purchase is a valuable way to increase the amount of pension you receive when you retire. Below are the eligible periods of purchase within six months from your recent leave end date.

You may also have other eligible periods of time that can be purchased. To learn more about purchases, visit the webpage ["Increasing your pension with a purchase"](#).

Purchase type	Employer	Leave start date	Leave end date	Action
Statutory Leave of Absence	Flaky Bleach	20-Aug-2022	24-Aug-2022	Start a purchase
Strike	Flaky Bleach	15-Aug-2022	16-Aug-2022	Start a purchase
Unpaid Leave of Absence	Flaky Bleach	01-Jun-2022	10-Aug-2022	Purchase request submitted
Pregnancy, Parental or Adoption Leave	Flaky Bleach	19-Aug-2021	30-Apr-2022	Purchase request under review

1 - 4 of 4 items

Member portal: Purchase request

Dashboard

Member Information

Estimate your pension

Purchase your leave ?

Document Centre

Message Centre

Help

Purchase request

Start the purchase process by submitting a quote request to your employer.

Member information

If the information below needs to be updated, go to your [Member Information](#) page to edit before proceeding.

Before the start of the leave, you were earning a pension under:

DBplus

Employer: _____

First name: EKYHPIZY

Last name: HRYRGKGDUWXPR

Initial: Q

Date of birth: 10-May-1964

Phone number: _____

Email: EKYHPIZY@gmail.com

Mailing address: 0 PREBZFL WHXYX, AAAAAA, ON, H0H0H0, CAN

Purchase type: Unpaid Leave of Absence

Leave start date: 01-Jul-2022

Leave end date: 15-Jul-2022

I intend to purchase the leave period reported above within six months of my leave end date.

It is your choice whether you want to purchase your **Unpaid Leave of Absence**. If you choose not to purchase the leave period during the first six months after your return to work, you retain the right to make a purchase of a past leave at any time before you terminate employment. For more information on purchasing after six months, see the CAAT Pension Plan website.

NOTE: After reviewing your submitted request, your employer will provide you with a purchase form and explain your cost and payment options. You are under no obligation, deciding whether to proceed with the purchase is entirely up to you.

Member Signature: _____

Date: _____

Cancel Submit

I intend to purchase the leave period reported above within six months of my leave end date.

It is your choice whether you want to purchase your **Unpaid Leave of Absence**. If you choose not to purchase the leave period during the first six months after your return to work, you retain the right to make a purchase of a past leave at any time before you terminate employment. For more information on purchasing after six months, see the CAAT Pension Plan website.

NOTE: After reviewing your submitted request, your employer will provide you with a purchase form and explain your cost and payment options. You are under no obligation, deciding whether to proceed with the purchase is entirely up to you.

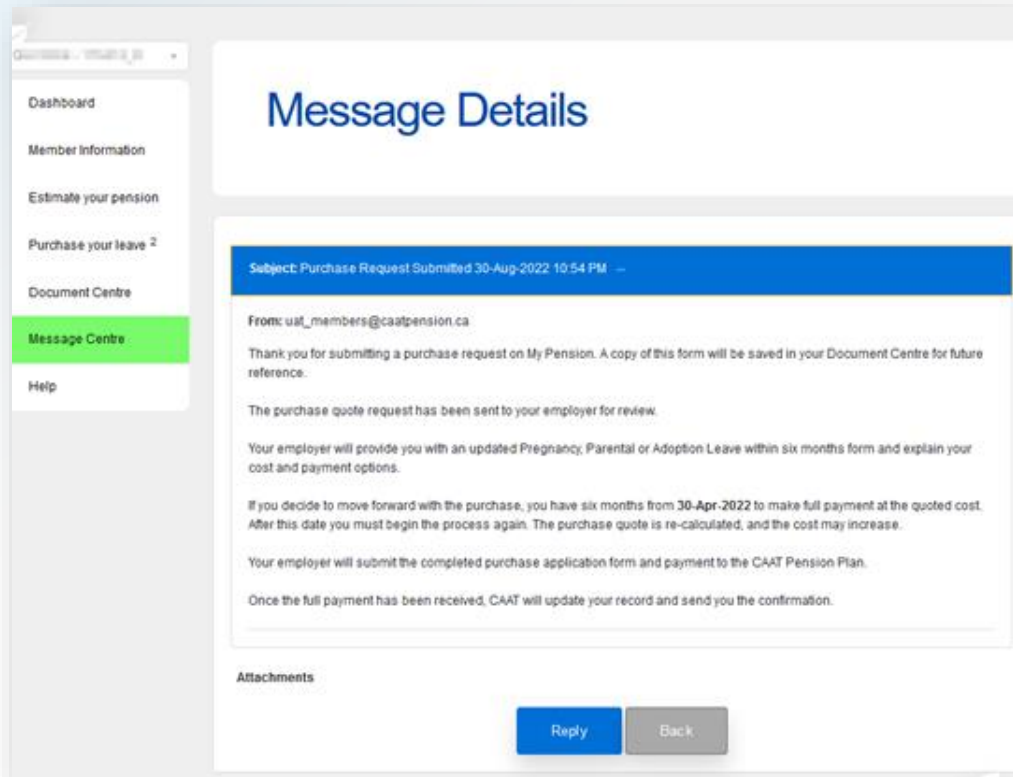
Member Signature: _____

Date: _____

Cancel Submit

Member portal: Email notification

Message Centre



Outbound Email

There has been an update to your My Pension account.

Please log in to [My Pension](#) to view the details.

CAAT Pension Plan

Visit www.caatpension.ca for pension information and tools.

Email Member Services at member@caatpension.ca.

You are receiving this email because you are a member of the CAAT Pension Plan.

Employer portal: Purchase request notifications

Pension solutions Members Support centre Employers About Us  Welcome 

- Administration Console
- Notification Preferences**
- Sign Out



Notification preferences

	Message Centre	Activity Log
Notify me when a request is received from an employee		
Select all	<input type="checkbox"/>	<input type="checkbox"/>
Enrolment Request	<input type="checkbox"/>	<input type="checkbox"/>
Purchase Request	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

[Update](#)

Employer portal: Purchase requests

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

Purchase requests

Select a new request or review quotes prepared for a member

Enter search term

Purchase type From To

First name Last name

New purchase requests

Process ID	Purchase type	First name	Last name	Leave start	Leave end	Request date
------------	---------------	------------	-----------	-------------	-----------	--------------

Items per page No items to display

Prepared purchase quotes

Process ID	Purchase type	First name	Last name	Leave start	Leave end	Request date
------------	---------------	------------	-----------	-------------	-----------	--------------

Employer portal: Purchase quote

Purchase quote request - [redacted]

Statutory Leave of Absence - within six months from end of leave

Plan design: DBplus
Purchase type: Statutory Leave of Absence

Request date: 30-Aug-2022
Social Insurance Number: [redacted]

Member ID: [redacted]
First name: [redacted]

Last name: [redacted]
Date of birth: 10-May-1964

Leave start date: 17-Jun-2022
Leave end date: 20-Jun-2022

Member purchase information

Leave start date: 17-Jun-2022
Leave end date: 20-Jun-2022

Deemed earnings	Deemed service	Member contributions	Employer contributions
5,000.00	#####	450.00	450.00

Total cost: 900.00

Payment deadline: 20-Dec-2022

I confirm a copy of this purchase quote will be provided to the member.

[Save](#) [Finish quote](#) [Cancel](#)

Member purchase information

Leave start date: 17-Jun-2022
Leave end date: 20-Jun-2022

Deemed earnings	Deemed service	Member contributions	Employer contributions
5,000.00	#####	450.00	450.00

Total cost: 900.00

Payment deadline: 20-Dec-2022

I confirm a copy of this purchase quote will be provided to the member.

[Save](#) [Finish quote](#) [Cancel](#)

Reminder: Print and provide a copy of this purchase quote to the member

Employer portal: Purchase quote

Recent activity

Start time	Activity
------------	----------

[View all activity](#)

Transactions in progress

In progress	Member name	Type of transaction
6900	HIYRGKGDWXP EKYPHIZY	Purchase Request
6897	HIYRGKGDWXP EKYPHIZY	Leave Start
6895	HIYRGKGDWXP EKYPHIZY	Leave Start

[View all in progress](#)



Transactions sent to CAAT

Submitted	Case number	Tracking ID	Member name	Type of transaction
7138			HIYRGKGDWXP EKYPHIZY	Purchase Request
6899	CA0214283		HIYRGKGDWXP EKYPHIZY	Leave Start
6840	CA0214248		HIYRGKGDWXP EKYPHIZY	Leave Start


[View all sent](#)

This has not been sent to CAAT through PAL as there is no Case number or Tracking ID

Additional resources – Employer Manual



Leaves and pension purchases



Welcome

About the Manual

What's new

Tax requirements

Enrolment

Contributions, service and earnings

Leaves and pension purchases

You are here: Leaves and pension purchases

Leaves and pension purchases

A member of the CAAT Pension Plan, prior to reaching their termination of employment date, may be eligible to increase their pension by making a pension purchase related to an eligible period of employment. Most leaves of absence and some other periods of employment may be eligible for purchase.

This section contains important information on topics related to leaves of absence and pension purchases in the Plan.

[Leaves of absence: Overview](#) (PDF) provides a high-level summary of the provisions of the Plan related to leaves of absence.

Note: All pension purchases are subject to the applicable maximums set out in the ITA.

Purchasing periods of prior
employment
before enrolment

Purchasing periods of prior employment before enrolment

- Eligible purchases
- Timing
- Roles and responsibilities



Purchasing periods of prior employment before enrolment

Eligible periods

1. Employment with a non-participating employer's Canadian registered pension plan (RPP)
 - Direct transfer from a former employer's registered pension plan or;
 - A former benefit transferred to CAAT via a financial institution
2. Periods of prior employment before enrolment
 - CAAT participating employer
 - 100% member's cost

Eligible periods for purchases

Purchasing pension under DB plus

✓
Purchases are permitted only for periods of employment on or after January 1, 1991.



Purchasing pension earned in a non-participating employer's DB plan

✓
Pension earned in a non-participating employer's defined benefit (DB) pension plan is eligible for purchase only for periods on or after January 1, 1992.





DB plus pension purchases Where can funds come from?

- Personal or group RRSP
- Locked-in retirement account (LIRA)
- Defined contribution plan



Other types of eligible purchases

- Prior membership period – commuted value payment
- Statutory leave (pregnancy/parental/adoption) after six months from return to work
- Unpaid leave of absence after six months from return to work

Periods of prior employment before enrolment and other types of purchases

- Direct members to the [Increasing your pension with a purchase](#)
 - [DB plus Pension Purchase Tool](#)
 - If the member is from a CBIA employer, select **CBIA/Lawyers Financial Program** from the drop-down list when using the tool

Why is it important?

- Helps members with decision making
- Helps members understand the impact of a pension purchase

Purchasing periods of prior employment before enrolment

Timing:

- Purchases **must** be initiated before termination or retirement
 - A purchase can be completed during the Extension of Membership (EOM) period, but cannot be initiated during EOM
 - Previous employer's plan may have deadlines
 - Plans registered outside of Ontario may have legislative restrictions
- The member is responsible for the purchase

Purchasing periods of prior employment before enrolment – applicable forms

Purchase type	Form to be completed
DB plus member – Transfer in of funds related to former employer’s pension plan	DB plus purchase application – Transfer in of funds related to a former employer’s pension plan
DB plus member – Period of employment with a CAAT participating employer	DB plus purchase application – Period of employment with an employer that participates in the CAAT Pension Plan

Periods of prior employment before enrolment – employer's role and responsibilities



Complete applicable sections
of application forms



Ensure latest forms are used

Costing Methodology



- DB plus maximum contribution
 - 18% of eligible earnings up to the Income Tax Act (ITA) maximum
 - For transfers from another employer's pension plan, the cost would be 18% of eligible earnings
 - For purchases of prior employment with a CAAT employer or breaks in employment after 6 months, the cost would be 18% of deemed earnings for the eligible period or during the leave period

Periods of prior employment before enrolment and other types of purchases

CAAT final steps:

1. Update member's record when funds are received
2. Send confirmation letter indicating the amount of service purchased
3. My Pension will be updated with purchase
4. Annual Statements will have purchased pension reflected if payment is received by the end of November

