

Process Change: Pension Contributions

September 4, 2024 (Schools)

September 5, 2024 (Parishes)



Webinar Agenda

- Introduction
- Why is the process for Pension Contributions changing
- What is changing
- Submission Template and How to Complete
- Key Dates
- Support for Benefit Reps
- Q & A



Introductions

April Abadillo Benefits Administrator

Marisa Ruggier-Andrews Director, Human Resources

Jennifer Triste Controller

Nancy Hadden Parish Support

Frederena Ho Payroll Administrator

Connie Shepherd Director, Strategic Projects – Finance & Operations

Why is the process for Pension Contributions Changing?

Canada Life has advised the Plan Administrator that in recent years, the Canada Revenue Agency and the BC Financial Services Authority have been more attentive to auditing pension plans for adherence to regulatory guidelines with regard to day-to-day administration and processes.

Canada Life has adopted administration processes for the Pension Plan that will withstand the rigors of regulatory audits – or “audit proofing”.

As a result of Canada Life’s process changes, the Archdiocese of Vancouver Employees’ Pension Plan has had to amend our internal processes to support regulatory compliance and align with industry best practice.

Why is the process for Pension Contributions Changing?

Why the change?

COMPLIANCE

Pension Plans are highly regulated.

The Pension Plan must comply with:

- Income Tax Act, regulated the Canada Revenue Agency
- BC Pension Benefits Standards Act (BC PBSA), regulated by the BC Financial Services Authority
- Pension Plan Text, sets out the provisions of the Pension Plan and regulated by the BC Pension Benefits Act and the Income Tax Act



Pension Plan Compliance Issues

Compliance issues common to the Archdiocese of Vancouver Employees' Pension Plan:

- Pension contributions were not based on **earnings paid**, but were “invoiced” based on annual salary amount provided by employers at the time of the annual renewal.
- Pension contributions made to the Pension Plan may not align with the period in which the pension contribution was **earned**.
- Pension enrollment forms and salary change forms were not submitted on a timely basis, exposing the plan to interest penalties.
- Group Change Forms for terminations were not received on a timely basis. This resulted in the options package being sent out beyond the timeframe prescribed by regulations.

What is Changing

Change Number 1:

- Pension contributions will be calculated by local employers
- They will be based on regular earnings and withheld each payroll.
- Employers must use the Pension Contribution Template to capture relevant information for audit purposes.
- Employers will be debited for pension contribution in the month following the contribution period. For example, September 2024 pension contributions will be debited in October 2024.
- A schedule of dates for template submission and the dates on which employer accounts will be debited is available on the Benefits website.

What is Changing

Change Number 2:

- Pension Plan members' voluntary pension, RRSP and TFSA contributions will be calculated and withheld at source by the local employers
- Employers must use the Pension Contribution Template to capture relevant information for audit purposes.
- Employers will be debited for voluntary contributions in the month following the contribution period. For example, September 2024 voluntary contributions will be debited in October 2024.



What is Changing

Additional Important Information

- The monthly pension administration fee per member will no longer be charged.
- Employee/Employer Pension Contributions, Voluntary Employee Pension Contributions, RRSP and TFSA will no longer appear on the monthly invoice for Benefits.



What is Changing

Member Election of Contribution Rates

The Plan text states that: “If the Member does not make an election, the contribution rate will be the maximum per cent of the Member’s Earnings based on the scale...[set forth in the Pension Plan text].”

Before Sep 2024, pension contributions were “invoiced” by the Benefits Office, the Benefits Office was responsible for ensuring the maximum Percentage of Member’s Earnings were applied based on completed years of continuous employment/service.

From Sep 2024 onwards, because pension contributions are calculated by the local employer, **local employers must ensure the maximum Percentage of Member’s Earnings are applied based on completed years of continuous employment/service if a Member does not make an election.**



What is Changing

Interest on under remitted or missed contributions will be charged to employers

Canada Life has advised that interest is to be paid on under remitted or missed contributions (Income Tax Act, section 147.1).

The “interest” for defined contribution plans is defined by the BC PBSA section 19(1) as “interest, gains and losses, as can reasonably be attributed to the operation of the pension fund”. The “interest is calculated by Canada Life based on the return of a member’s account. If a member’s account is earning a return of 10%, the interest charged on under remitted or missed contributions will be 10%.



Impact to Employees' Pension Contributions

- Employee/Employer Pension Contributions, Voluntary Employee Pension Contributions, RRSP and TFSA will be credited to the employees' account with Canada Life **on or before the 30th of the month after the contribution period** as permitted by the BC PBSA.
- September 2024 contributions will be credited to the employees' account with Canada Life on or before October 30, 2024.
- Members who are paid over a 10-month period will continue to have pension contributions deducted over 10-months.



Impact to Employees' Pension Contributions

- Members who are paid over a 12-month period will be making smaller monthly pension contributions over 12-months. The total annual contribution from Sep 2024 to August 2025 still equals the total annual contributions made over 10 months.
- On the Benefits website, there is a numerical example that illustrates the 10-month and 12-month scenarios.
- Members who terminate membership will have final pension contributions made to their Canada Life account in the month following their final pay. On the Benefits website, there is an illustration of what happens when a member terminates membership.



Schedule: Template Due Date and Payment Date

PENSION CONTRIBUTION PERIOD

TEMPLATE DUE DATE

PAYMENT DATE (thru PAD)

September 2024

Thursday, October 10, 2024

Monday, October 28, 2024

October 2024

Friday, November 8, 2024

Wednesday, November 27, 2024

November 2024

Tuesday, December 10, 2024

Friday, December 27, 2024

December 2024

Friday, January 10, 2025

Tuesday, January 28, 2025

January 2025

Monday, February 10, 2025

Wednesday, February 26, 2025

February 2025

Monday, March 10, 2025

Wednesday, March 26, 2025

March 2025

Thursday, April 10, 2025

Monday, April 28, 2025

April 2025

Friday, May 9, 2025

Wednesday, May 28, 2025

May 2025

Tuesday, June 10, 2025

Thursday, June 26, 2025

June 2025

Thursday, July 10, 2025

Monday, July 28, 2025

July 2025

Friday, August 8, 2025

Wednesday, August 27, 2025

August 2025


Wednesday, September 10, 2025

Friday, September 26, 2025

Pension Contribution Template

Each Employer will have their pre-filled Pension Contribution Template available for download on their secure Sync folder.

E5 : ✕ ✓ *f_x* 9/1/2024

	A	B	C	D	E	F	G
1	 Archdiocese of Vancouver						
2							
3		RCAV Group Plan					
4		Canada Life Policy: 35169					
5		Pension Contribution Remittance					
6		Month of Contribution				Sep 2024	
7							
8	ER#	ER Name	ID No.	Last Name	First Name	Month of Contribution	Employee Status
9	300	ABC Academy	000000000			Sep 2024	

The step-by-step guide will be shown on the next slides.

Pension Contribution Template

1. Cell E5, select the correct Month of Contribution

ER#		ER Name		ID No.	Last Name	Month of Contribution	Employee Status	No. of Months Paid/Year	Pay Frequency	Pay Period Start Date	Pay Period End Date	Pay Date DD-MMM
300	ABC Academy	000000000				Sep-2024						
						Oct-2024						
						Nov-2024						
						Dec-2024						
						Jan-2025						
						Feb-2025						
						Mar-2025						
						Apr-2025						
						May-2025						
						Jun-2025						
						Jul-2025						
						Aug-2025						

2. Cell A8 (ER#) is the unique identification number assigned to you by the Benefits and Pension Office
3. Cell B8 (ER Name) is your legal registered name with Service Canada and Canada Revenue Agency (CRA).
4. Cell C8 (ID No.), the unique identification number generated and assigned to the individual member by the Benefits and Pension Office – Do not use your payroll ID or local employee ID number

Pension Contribution Template

5. Cells D8 and E8 must be your employee's legal name
6. Cell G8 indicate the employee's Employment Status (Active, Parental Leave, School Sabbatical, LOA, Disability)
7. Cell H8 indicates the employee's number of months paid per year
8. Cell I8 indicate the payment frequency (Weekly, Bi-Weekly, Monthly, Semi-Monthly)
9. Cell J8 indicates the Pay Period Start Date
10. Cell K8 indicates the Pay Period End Date
11. Cell L8 indicates the Pay Date
12. Cell M8 indicates the Gross Pay Per Pay Period
13. Cell N8 is the pension contribution rate

Pension Contribution Template

- On the initial template, the ER#, ER Name, ID No, Last name, First name, and Contribution Rate have been pre-filled
- Each employee will have multiple entries depending on the number of pay frequencies per pay period
- The Pension Contribution Template must be submitted by the due date each month.
- The first submission for September 2024 contributions must be received before 12 noon on Thursday, October 10, 2024.

Support

Support for this transition will be available from September 2024 to December 2024 for **Benefits Reps, Bookkeepers and Accountants.**

Benefits Reps will provide support to members of their school or parish.

Support consists of:

- Dedicated E-mail : pensionsupport@rcavgroupplan.org
- Dedicated Phone Line: (604) 683-0281 x565,
Monday to Friday, 8:30 am to 4:00 pm
- Online FAQ that is updated as questions are asked / sent to
pensionsupport@rcavgroupplan.org

If the Pension Support Team receives any questions from members, the Pension Support Team will redirect them to their Benefits Rep.



Support

Dedicated Pension Support Team:

- Hailey Ko, Benefits Assistant
- Jamie Carolino, Finance Assistant
- April Abadillo, Benefits Administrator
- Connie Shepherd, Director, Strategic Projects – Finance and Operations
- Marisa Ruggier-Andrews, Director, Human Resources



Q & A

For questions that have not been addressed in today's webinar, please email the questions to pensionsupport@rcavgroupplan.org.

The FAQ that will be updated as questions are asked and answered and other resource materials. The FAQ can be found on the Benefits website.

