



PENSION PLAN

# Employer Administration Procedures

Rev. September 2021

**CSS Pension Plan**

Fifth floor, 333 - 3rd Ave. N.

PO Box 1850, Saskatoon, SK S7K 3S2

P: (306) 477-8500 | Toll-free: 1-844-4CSSPEN

F: (306) 244-1088 | E: [css@csspen.com](mailto:css@csspen.com)

[csspen.com](http://csspen.com)

Strength in Numbers.



PENSION PLAN

# Contents

<b>1.</b>	<b>Employer membership.....</b>	<b>4</b>
	1.1 Employer responsibilities.....	4
	1.2 Designating employee units.....	4
	1.3 Terminating employer membership.....	5
<b>2.</b>	<b>Enrolling members.....</b>	<b>6</b>
	2.1 Enrollment process.....	6
	2.1.1 New member.....	6
	2.2 Eligibility requirements.....	7
	2.2.1 Waiting period.....	7
	2.2.2 Full-time employees.....	7
	2.2.3 Part-time employees.....	7
	2.2.4 Contract employees.....	8
	2.2.5 Seasonal employees.....	9
	2.2.6 Continuous service with one or more CSS employers.....	9
	2.2.7 Age requirements.....	11
	2.3 Declining enrollment.....	11
<b>3.</b>	<b>Contributions.....</b>	<b>12</b>
	3.1 Remitting contributions.....	12
	3.1.1 Remittance methods.....	12
	3.1.2 Preparing your Excel file.....	12
	3.1.3 Submitting your Excel file.....	13
	3.1.4 Editing your contribution remittance.....	14
	3.1.5 Required documentation for each employee.....	14
	3.1.6 Forwarding contribution funds.....	15
	3.2 Types of contributions.....	16
	3.2.1 Employee contributions.....	16
	3.2.2 Employer contributions.....	16
	3.3 Contribution limits.....	16
	3.4 Contribution rates.....	17
	3.5 Vesting.....	17
	3.6 Locking-in.....	17
<b>4.</b>	<b>Retirement.....</b>	<b>19</b>
	4.1 Full retirement.....	19
	4.2 Phased retirement.....	19
	4.3 Retiring allowances.....	20
<b>5.</b>	<b>Termination.....</b>	<b>21</b>
<b>6.</b>	<b>Death.....</b>	<b>22</b>
<b>7.</b>	<b>Leaves of absence and disability.....</b>	<b>23</b>
	7.1 Leaves of absence.....	23
	7.2 Disability.....	24
<b>8.</b>	<b>Fund transfers.....</b>	<b>25</b>
	8.1 Transferring funds out.....	25
	8.2 Transferring funds in.....	25
<b>9.</b>	<b>T4 preparation.....</b>	<b>26</b>
<b>10.</b>	<b>Information changes.....</b>	<b>27</b>

# 1. Employer membership

## 1.1 Employer responsibilities

As an employment pension plan, the CSS Pension Plan works closely with our employer members to administer Plan benefits to participating employees. While we handle most day-to-day administration of the Plan, there are certain tasks that can only be carried out by employers.

As an employer member of the CSS Pension Plan, it is your responsibility under the *Rules and Regulations* of the Plan to:

- Enroll employees in the Plan when they are eligible
- Submit the appropriate Employee Membership Application form to the Plan
- Pay all appropriate contributions to the Plan when due and within the time limits set out by pension legislation
- Co-operate with the Plan in fulfilling disclosure requirements of applicable pension legislation

Since we are a multi-employer pension plan, administrators of the CSS Pension Plan must follow the Plan's *Rules and Regulations* and applicable pension legislation.

Employers can have their own policies with respect to the CSS Pension Plan, so long as the policies follow the *Rules* and applicable pension legislation requirements. If your policy changes at any time, please contact us.

## 1.2 Designating employee units

When applying for membership in the Co-operative Superannuation Society, an employer must specify at least one designated unit of its employees to participate in the Plan.

Employers can choose to cover all employees in a single unit or create separate units for different classes of employees.

Employee classes include:

- All employees
- Management only
- Non-management only
- Salaried
- Hourly
- Union
- Non-union
- Supervisory
- Executive

All employees within the same unit must be treated equally.

- Contribution rates and waiting periods for employees within a unit must be the same. However, employers can set different contribution rates and waiting periods for different units (*e.g. Management employees can have a different contribution rate than hourly employees*)

- Part-time employees are included in units with full-time employees, although they may have different eligibility requirements for Plan membership (as set out by pension legislation). Part-time employees cannot be excluded from Plan membership if they qualify.

Designated units must be defined according to applicable pension legislation. Contact us for more information on defining designated units.

## 1.3 Terminating employer membership

As an employer member of the CSS Pension Plan, you may terminate your membership with the Plan at any time, subject to the Plan's *Rules and Regulations* and applicable pension legislation.

Termination will occur as agreed by the employer and the CSS Board of Directors.

If you cancel your membership in the Plan:

- Your employees will no longer be considered employed by an employer member and various termination options will be available to them.

Please contact us immediately if you are considering terminating your employer membership.

## 2. Enrolling members

### 2.1 Enrollment process

For most employees, enrollment in the CSS Pension Plan is a mandatory condition of employment. For others, such as part-time employees in most provinces and territories, enrollment is voluntary.

It is up to the employer to [review the eligibility requirements](#) for Plan membership (see page 7).

An employee's eligibility depends on:

- Employer's waiting period (*i.e. the length of service an employee works before becoming eligible to contribute to the Plan*), which cannot exceed two years
- Employment type (full-time or part-time)
- Any service with one or more CSS employers
- Age

#### 2.1.1 New member

To enroll a new member in the CSS Pension Plan, the employee and an official of the employer must complete and sign an Employee Membership Application form.

You must forward the completed form to the CSS Pension Plan either before or at the same time as the initial contribution is made by and on behalf of the employee.

Completed forms can be uploaded on myCSSPEN for employers by authorized users or mailed or faxed to:

**CSS Pension Plan  
PO Box 1850  
Saskatoon, SK S7K 3S2**

**Fax: (306) 244-1088**

After we receive the Employee Membership Application form and the employee's first contribution, we will send the new member a CSS Pension Plan new member kit.

**Once contributions to the Plan start (for both full-time and part-time employees), contributions must continue until full and final termination of employment.**

## 2.2 Eligibility requirements

### 2.2.1 Waiting Period

The waiting period is the length of service an employee works before becoming eligible to contribute to the CSS Pension Plan.

The employer sets the length of the waiting period. Pension legislation restricts the waiting period from being any longer than two years.

#### **Continuous service with a co-op or credit union**

The waiting period may be different for employees who recently worked with an employer member of the CSS Pension Plan (or combination of employer members). See [continuous service with CSS Pension Plan employers](#) (page 9) to determine the employee's eligibility.

### 2.2.2 Full-time employees

Full-time employees in all provinces where the CSS Pension Plan operates must join the Plan once they complete a waiting period set by their employer. The waiting period cannot exceed two years, but it can be shorter than two years.

### 2.2.3 Part-time employees

Membership in the Plan is voluntary for part-time employees, except for:

- Part-time employees working in Manitoba where membership is mandatory under the *Pension Benefits Act* of Manitoba
- Part-time employees whose employer has deemed membership mandatory as a term of their employment
- Employees who take [phased retirement](#) (page 19)
- Employees who reduce their hours to part-time while already contributing to the CSS Pension Plan

#### **Minimum membership requirements**

Employers must offer a part-time employee membership in the Plan after the employee meets one of the minimum membership requirements set out by pension legislation:

- The employee has achieved a minimum level of earnings [a percentage of the Canada Pension Plan Year's Maximum Pensionable Earnings (YMPE)]; or
- The employee has worked a minimum number of hours

The minimum standards required under pension legislation for CSS Pension Plan membership are as follows:

*Alberta, BC, New Brunswick and Federal (includes Northwest Territories, Nunavut and Yukon)*

- Part-time employees who earn 35% or more of the CPP YMPE in **each of the two** most recent consecutive calendar years **may voluntarily** join the Plan

### *Manitoba*

- **Part-time employees (excluding students)** who earn 35% or more of the CPP YMPE (or worked 700 hours or more) in **each of two** consecutive calendar years, must join the Plan after completing a waiting period, which cannot exceed two years of service
- **Part-time employees (including students) regardless of earnings**, must be given the opportunity to **voluntarily** join the Plan after completing a waiting period, which cannot exceed two years of service

### *Nova Scotia, Ontario and Saskatchewan*

- Part-time employees who earn 35% or more of the CPP YMPE (or worked 700 hours or more) in **each of the two** most recent consecutive calendar years **may voluntarily** join the Plan

An employer may make membership mandatory for part-time employees, even if the governing pension legislation states that membership is voluntary for part-time employees.

## **Voluntary membership**

### *Choosing to join*

- If an eligible part-time employee who has the option to join the CSS Pension Plan chooses to join, the employer would follow the regular [enrollment process for a new member](#) (page 6). Once contributions start, they must continue until a full and final termination of employment.

### *Choosing not to join*

- If an eligible part-time employee who has the option to join the CSS Pension Plan elects not to become a member, he or she would complete and sign the Acknowledgement of Eligibility form. An official of the employer organization would then sign and return the form to the CSS Pension Plan.
- If the employee decides to join the Plan at a later date, he or she may have to re-qualify for Plan membership by meeting the part-time minimum membership requirements set out by the applicable pension legislation.

## **Students/Casual employees**

If an employee is a student or casual employee who meets one of the minimum part-time membership requirements, he or she must be offered membership in the Plan regardless of student or casual employment status.

If a student or casual employee is already a contributing member of the CSS Pension Plan, he or she must continue to make pension contributions until a full and final termination of employment.

## **2.2.4 Contract employees**

- **If a contract employee is included on a participating employer's payroll**, he or she is subject to the same full-time or part-time eligibility requirements for membership in the CSS Pension Plan as non-contract/permanent employees.
- **If a contract employee is not included on a participating employer's payroll**, he or she would not be considered an employee and would therefore not be eligible for membership in the CSS Pension Plan.



## 2.2.5 Seasonal employees

Seasonal employees are subject to the same full-time and part-time eligibility requirements for Plan membership as non-seasonal employees. Once a seasonal employee begins contributing to the CSS Pension Plan, he or she must continue to do so until a full and final termination of employment.

Please forward a completed Missed Contribution or Employment Status Change form to notify CSS of the end of the work season. Once the employee returns to work, contributions must resume.

## 2.2.6 Continuous service with one or more CSS employers

Since the CSS Pension Plan is a multi-employer pension plan, members can often continue building their pension when moving from one CSS employer to another.

When determining an employee’s eligibility to join the Plan, all continuous service with any employer member of the CSS Pension Plan, or combination of employer members, must be counted.

- Service is considered continuous if the employee’s break in service between participating CSS employers is less than 12 months.
- Probationary periods of employment must be counted when determining the employee’s eligibility.
- Whether the employee was already contributing to the Plan also affects eligibility. Any new full-time, part-time or casual employees who were already contributing to the Plan at a previous CSS employer may have to begin contributing to the Plan immediately, depending on the length of their break in service.

See the chart below to determine if the employee’s service is considered continuous.

### Determining continuous service

	Break less than 12 months	Break more than 12 months
<b>Employee <u>was</u> contributing to the Plan at previous employer</b>	<ul style="list-style-type: none"> <li>▪ Service is deemed continuous. Employee must join the Plan and contributions must start immediately.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Service does not apply. Normal policies for determining Plan membership apply.</li> </ul>
<b>Employee <u>was not</u> contributing to the Plan at previous employer</b>	<ul style="list-style-type: none"> <li>▪ Service is deemed continuous. Take the employee’s length of service with the previous CSS employer into account to determine eligibility to join the Plan.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Service does not apply. Normal policies for determining Plan membership apply.</li> </ul>

### Common scenarios

#### **Rehiring an employee**

If employment is terminated and the employee is rehired, any continuous service must be counted to determine when the rehired employee is eligible to join the Plan and begin contributions.

Service is considered continuous if there has not been a break in service of more than 12 months (*see chart above*).

## **Employees hired from other co-operatives or credit unions**

As a multi-employer pension plan, we provide retirement products and services to the employees of many co-operatives and credit unions across Canada. It is therefore possible that a new employee who previously worked in the co-operative or credit union system was employed with a CSS employer.

When you hire an employee from another co-operative or credit union, you must consider the following points to determine when the employee is eligible to join the CSS Pension Plan and begin contributions.

- 1. Determine if the employee's previous employer was an employer member of the CSS Pension Plan.** If so, determine if the employee was contributing to the Plan while working for the previous employer.
- 2. If the employee was contributing to the Plan while employed with the previous employer, determine the length of the break in service between the previous employer and you, the new employer.**

### ***a) Breaks in service less than 12 months***

If the employee was a contributing member of the CSS Pension Plan within the past 12 months, you and they must start contributions to the CSS Pension Plan immediately – even if the employee is working as a part-time or casual employee. Your normal waiting period for pension contributions does not apply.

### ***Back contributions***

If the break is less than 12 months and pension contributions do not begin immediately when the employee starts work, you will have to make retroactive employer contributions back to their start date. The employee will also have the option to make retroactive contributions if contribution limits for the employee's current year earnings allow. We will work with you to determine whether the person's CRA maximum limit for the year might be exceeded. Where it is, retroactive contributions prevented by the limit will have to be made in subsequent years. Please notify us if this is your situation.

### ***b) Breaks in service more than 12 months***

If the time elapsed since the employee last made contributions to the Plan is 12 months or more, the normal policies for determining Plan membership apply.

- 3. If the employee was not contributing to the Plan while employed with the previous employer, determine how much time has elapsed since the employee left that employment.** Service with a previous employer member applies only if there has not been a break in service of more than 12 months. If the break in service is less than 12 months, then take into account this service to determine when the employee will become eligible to join the Plan.
- 4. If the employee's most recent employment was not with an employer member, determine if the employee was ever a contributing member of the CSS Pension Plan.** If so, and if the break in service with the employer member is less than 12 months, then the employee must join the Plan immediately and contributions must start immediately.
- 5. If an employee falls into none of the above categories, then the employee would complete the usual waiting period, which cannot exceed two years.**
- 6. Regardless of the above, an employer may waive its waiting period and permit the newly hired employee to join the Plan immediately.**

If you are unsure if an employee is eligible to join the CSS Pension Plan, please contact us.

## 2.2.7 Age requirements

There is no minimum age requirement to join the CSS Pension Plan.

### Age 71

Employees can contribute to the CSS Pension Plan until November of the year they turn 71.

According to the *Income Tax Act (Canada)*, employees must convert their CSS account balance into retirement income before the end of the year they turn 71.

Any contributions received after the final pay period in November will need to be reversed and CSS cannot accept them.

#### ***Does an employee turning 71 need to stop working?***

- The short answer is no, they can continue to work but they can no longer contribute to CSS.

Please advise your age 71 employees that their contributions must stop on their last pay period completely in November.

Prepare and forward an Employee Termination Notice (ETN) form to CSS when you are processing the November payroll with pension contributions. Make sure to check off Age 71 and stop employees' pension contributions in your payroll system.

## 2.3 Declining enrollment

While joining the CSS Pension Plan is a condition of employment for all eligible full-time employees, there are situations where an employee can opt out:

- Eligible part-time employees who have the option to voluntarily join the Plan do not have to join
- Manitoba legislation allows employees that are members of certain religious groups to opt out of participating in the CSS Pension Plan

Please contact us if you are unsure if an employee is eligible to opt out.

## 3. Contributions

### 3.1 Remitting contributions

Employer payroll departments should remit employer and employee contributions to the CSS Pension Plan immediately following the end of each pay period.

To ensure legal compliance with pension legislation, you must do so **no later than 30 days after deducting the contributions from the employee's pay.**

Note: Contributions must be made on either regular earnings or total earnings, including vacation pay. See Sections 1.1(t) and 1.1(y) of the Plan's *Rules and Regulations*.

#### 3.1.1 Remittance methods

The CSS Pension Plan requires employers to use the following method when remitting contribution information.

##### Upload an Excel file

- You must upload contribution remittance information through our secure website using our standardized Excel template.
- You must obtain a username and password from the CSS Pension Plan to use this method. See the instructions below to register for online access.

##### Register for online access

- Appoint a primary user and any backup users on behalf of your organization (e.g. Human Resources Manager or Director, Payroll Benefits Administrator, etc.) by completing the Employer Online Access Application form (available on [www.csspen.com](http://www.csspen.com))
- Once we receive your completed form, we will send each primary and backup user(s):
  - A username and temporary password
  - Our standard Excel template for entering contribution information

#### 3.1.2 Preparing your Excel file

- **Step 1:** Download and save our standard Excel contribution upload template. Even though you may have your own template, we require you to enter your contribution information using our template as it is already formatted to correctly process the remittance within our system.
- **Step 2:** Enter the contribution information in the fields provided. Each field is already in the correct order required to successfully process the remittance. If you want to add extra fields to the template (for your own records), please ensure you add them *after* column E.

Carefully review your file to ensure it includes all required information (see sample file below):

1. CSS employer number
2. Employer name
3. Employer address
4. Pay period end date (enter date as **yyyy/mm/dd**, including the forward slash. The date will then auto-format in the spreadsheet.)

For each employee (listed in either alphabetical or SIN number order):

5. Employee name (last name, first name)
6. Social Insurance Number (SIN)\*
7. Amount of **employee matched contribution** (this amount is matched by the employer)
8. Amount of **employee unmatched (voluntary) contribution (if any)**
9. Amount of **employer unmatched contribution (if any)**
10. A blank row between the last SIN and your gross total, as shown below
11. Optional – A sub-total of each type of contribution (employee matched, employee unmatched, employer unmatched)
12. A gross total of the contributions included in the remittance (Cx2+D+E= payment you are sending)

\*So that your remittance can be successfully processed, please ensure your Excel file **does not** include blank rows between employee SINs.

	A	B	C	D	E	F
1	<b>Employer Number:</b>	1234		4 <b>Pay Period:</b>		20160930
2	<b>Employer Name:</b>	Anytown Co-operative Association				
3	<b>Employer Address:</b>	PO Box 1234, Anytown SK S0L 4S2				
			7 <b>Employee Matched Amount</b>	8 <b>Employee Unmatched</b>	9 <b>Employer Unmatched</b>	
	5 <b>Employee Name (Lastname,Firstname)</b>	6 <b>Social Insurance Number</b>				
	Doe, Jane	555555555	\$634	\$100	\$0	
	Smith, John	444444444	\$578	\$0	\$100	
10	Blank row					
11	Sub-total		\$1,212	\$100	\$100	
12	Gross total		\$2,624	(Cx2+D+E)		

- **Step 3:** Save your file and ensure that it is not password protected (password protected files will be rejected). We recommend using a file convention such as: 5611Sep12016.xls. You may save your file as an .xls or .xlsx file.

Employer #   Date   Year

### 3.1.3 Submitting your Excel file

- **Step 1:** Go to the CSS Pension Plan website at [www.csspen.com](http://www.csspen.com).
- **Step 2:** Click on *myCSSPEN for employers* in the top right corner.
- **Step 3:** Log in to your account. The **first time** you log in, you will be required to:
  - Use the username and temporary password we provided to you
  - Create a **new password**
  - Create a **security question and answer** (for password recovery)

- **Step 4:** You'll then be directed to the upload area. Click *browse* and select your prepared file to upload.
- **Step 5:** Select the **pay period end date** for the contribution information you are submitting. If you are uploading for more than one employer, please select the appropriate employer name from the drop-down list.
- **Step 6:** Click *upload*. The contribution listing is saved and sent directly to the Plan for verification and processing.
- **Step 7:** Log out of your account by selecting the *myCSSPEN* button in the main navigation and choosing the *logout* option. Close your browser to complete the logout process.

### 3.1.4 Editing your contribution remittance

#### Correcting errors

If you submitted incorrect contribution information by mistake, you have the option to re-upload a corrected Excel file *before* your original submission is processed. **Please contact us first** to check if your original file has been processed. *Note: There is no option to delete a submission.*

#### Editing personal information

You must notify the Plan of any changes to employee names or Social Insurance Numbers. Making changes to your Excel file alone is insufficient for maintaining employee Plan records.

- Employee members must complete a Member Information Change form (available on [www.csspen.com](http://www.csspen.com)) to update their name on file with the CSS Pension Plan.
- Employers must contact the CSS Pension Plan prior to sending an Excel file with a new employee SIN.

#### Adding a new member

Please include any new employee members in your Excel file; however, an Employee Membership Application form (available on [www.csspen.com](http://www.csspen.com)) for any new members should be submitted to the Plan prior to uploading your Excel file so that we can process their contributions.

#### Deleting a member

If you are submitting an Excel file that includes a newly terminated employee, please ensure you have completed and submitted an Employee Termination Notice (available on [www.csspen.com](http://www.csspen.com)) and all other necessary information. The [termination process](#) is outlined on **page 21**. Once their final contributions have been sent, please delete the rows containing the terminated employee(s) from the Excel spreadsheet.

### 3.1.5 Required documentation for each employee

You are responsible under the *Rules and Regulations* of the CSS Pension Plan and required by pension legislation to provide the following information and documentation for each employee member. All forms are available on our website, [www.csspen.com](http://www.csspen.com).

- **For an employee beginning to make contributions to the Plan:**
  - If an employee is making a contribution for the first time, you must submit a completed Employee Membership Application form.
  - If an employee has previous service with a participating employer member of the Plan, you must submit a completed Employee Membership Application if the employee's break in service between CSS employer members was longer than 12 months. If the employee's break in service was less than 12 months, an Employee Membership Application form is recommended.

- **For an employee ceasing to make contributions to the Plan:**
  - If an employee has terminated employment and therefore ceased contributions, you must submit a completed Employee Termination Notice form.
  - If an employee has transferred to another employer member of the CSS Pension Plan, you must provide the CSS Pension Plan with the name of that employer, if known, by completing a Missed Contribution or Employment Status Change form.
  - If an employee takes an approved leave of absence (e.g. maternity, sick, disability, etc.), you must submit a completed Missed Contribution or Employment Status Change form.
- **For an employee changing his/her employment status**
  - If an employee reduces his or her hours to casual or part-time resulting in irregular contributions, you must submit a completed Missed Contribution or Employment Status Change form.

### 3.1.6 Forwarding contribution funds

The CSS Pension Plan encourages employers to forward contribution funds to the Plan in the form of an electronic funds transfer (EFT). EFT is a convenient and cost effective way to submit your contribution funds.

We require your contribution remittance information on or before the date the funds are to be deposited into our account. You can submit this information using our electronic remittance method.

The funds accompanying a contribution remittance, whether in the form of an EFT or cheque, must be in the following amount:

- The ***employee matched contribution sub-total*** multiplied by two, plus
- The ***employee unmatched (voluntary) contribution sub-total***, if any, plus
- The ***employer unmatched contribution total***, if any

The payment and contribution remittance totals must balance. We will not process remittances that do not balance. For more information on submitting payments by EFT or if you require assistance, please contact us.

If you are remitting your contributions by cheque, please mail your cheque to:

**CSS Pension Plan  
PO Box 1850  
Saskatoon, SK S7K 3S2**

## 3.2 Types of contributions

As a CSS Pension Plan employer, it is your responsibility to remit all contributions to the Plan – both employee and employer amounts.

### 3.2.1 Employee contributions

#### Required contributions

- For each pay period, deduct employee required contributions at the applicable required contribution rate and remit them to the Plan
- You must remit employee contributions within 30 days of the given pay period end date

#### Additional voluntary contributions (AVCs)

Your employees may request that you deduct AVCs and remit them to the Plan. Keep in mind that:

- AVCs are allowed only if the total contributions in any calendar year do not exceed the contribution limits set by the Canada Revenue Agency (CRA)
- Employers do not match AVCs
- AVCs must be made via the employer, flow through the employer's payroll system, and appear on the annual T4 slip issued by the employer as pension contributions and as part of the pension adjustment (PA)
- AVCs may not be withdrawn until an employee terminates his or her employment (see [locking-in](#) on page 17)

### 3.2.2 Employer contributions

- As a CSS Pension Plan employer, you must match required contributions for each employee in a designated unit, dollar for dollar, and remit them to the Plan within 30 days of the given pay period
- You can contribute at a rate in excess of the required contribution rate (as noted under Section 4.2 of the Plan's *Rules and Regulations*) on behalf of any or all employees in a designated unit. Any excess is then designated as an *employer unmatched contribution* on behalf of the employee(s)

## 3.3 Contribution limits

As an employer member of the CSS Pension Plan, it is your responsibility to ensure that the contribution limits set out by the Canada Revenue Agency are not exceeded.

- The total contributions - including required contributions made by the employer and employee, and any employee additional voluntary contributions (AVCs) - you remit to the Plan in any calendar year cannot exceed the lesser of:
  - 18% of the employee's total compensation for the year
  - The annual money purchase limit for the current year
- Any contributions that exceed these amounts will be returned to the employer
- If an employee at your workplace has reached the maximum contribution limit or is in an over contribution situation, please contact us immediately and review the [over contribution information on the CRA website](#)

For more information about contributions, see Section 4.0 of the Plan's *Rules and Regulations*.



## 3.4 Contribution rates

Employer members of the CSS Pension Plan must set a required contribution rate for each designated unit of employees as a specific percentage of earnings. Required contribution rates are determined according to the *Income Tax Act* and applicable pension legislation. At a minimum, you must apply the required contribution rate to the employees' regular earnings.

At the employer's choice, the required contribution rate may be applied to amounts in addition to regular earnings, up to and including employees' total earnings.

- Minimum **employee** required contribution rate (for employee class) – 0%
- Minimum **employer** required contribution rate (for employee class) – 1%

### Recommended rate

We recommend a matched contribution rate of 6%. This rate is based on analysis of what is likely to produce an adequate pension for an employee.

### Contributions and vacation pay

Vacation pay – regardless of how or when it is paid – is part of both the regular and total earnings' definitions set out in the Plan's Rules. This means contributions are required on all vacation pay.

Here is a summary of Plan Rule 4.3 regarding required contributions and earnings types:

- At a minimum, required contributions must be applied to regular earnings, including all vacation pay whether paid as salary continuance or as a lump sum
- Subject to this minimum, employers can set their own policies applying required contributions to amounts paid in addition to regular earnings, up to and including total earnings
- The same definition of earnings must be applied to all employees within a designated unit of employees

## 3.5 Vesting

The employer contributions made on behalf of an employee will “vest,” or become owned by the employee, immediately.

## 3.6 Locking-in

### Locked-in funds

An employee's required contributions together with the employer's contributions and any investment earnings will become locked-in at some point. Locked-in pension funds cannot be withdrawn as a lump sum if an employee terminates their employment. These funds must be used to provide a retirement income.

The pension legislation that govern the employee's pension funds determine the rules for locking-in.

## **Non-locked-in funds**

Non-locked-in funds do not have to be used to provide a retirement income. Employees who terminate their employment with a CSS employer have options to withdraw these funds as a taxable lump sum or transfer them to an RRSP or RRIF. Additional voluntary contributions (AVCs) and their investment earnings are non-locked-in funds.

See [termination](#) (page 21) for information on employee options for locked-in and non-locked-in funds.

## **Exceptions to the lock-in rules**

In some circumstances pension legislation warrants locked-in funds to be treated as though they were not locked-in:

- If the amount of locked-in funds is relatively small when an employee terminates employment, it may be possible for the employee to take these funds as a lump sum
- If the amount of accumulated pension funds falls below Manitoba's small benefit commutation limit, the funds must be withdrawn as a taxable lump sum or transferred to an RRSP
- If an employee becomes a non-resident of Canada
- If an employee becomes terminally ill

## 4. Retirement

The CSS Pension Plan's **normal retirement** age is 60. The Plan's **early retirement** age is 50. In some cases, employees may qualify for early retirement *before* age 50 if their age plus years of continuous service with one or more participating employers equals a factor of 75 or more. Service is considered continuous if there has not been a break in employment between participating CSS employers of more than 12 months.

Employees may delay using their retirement benefits, but they must convert their account balance into retirement income before the end of the year they turn 71.

Employees approaching retirement can request up-to-date estimates of their retirement income by contacting the CSS Pension Plan. Preferably, retiring employees will contact the Plan **at least three months before their planned retirement date** for information about their retirement income options and the required application forms. General information for retiring employees is also available on our website ([www.csspen.com](http://www.csspen.com)).

### 4.1 Full retirement

In order for an employee to fully retire and begin a retirement income, the following conditions must be met:

1. The employee must have fully terminated employment
2. A completed Employee Termination Notice form is required
3. All final contributions, by and on behalf of the employee, must be remitted by the employer and received by the CSS Pension Plan no later than the last working day of the month *prior* to the month that payments will commence

### 4.2 Phased retirement\*

The *Income Tax Act* allows eligible employees to draw on their pension funds while continuing to work for an employer member of the CSS Pension Plan. This provision is called *phased retirement*.

To apply for phased retirement, an employee:

- Must be at least 55 years old
- Must have written confirmation from his/her employer agreeing to phased retirement sent to the CSS Pension Plan (employers may require employees to reduce their hours of work before agreeing)
- Must forward a completed pension application or Variable Benefits payment application and provide all required documentation

Phased retirement requires the employee and the employer to continue contributing to the Plan while the employee is drawing on his/her pension funds. In order for employees to take advantage of phased retirement, they can only draw on their funds as:

- A monthly pension from the CSS Pension Plan, or;
- Variable Benefit (VB) payments from the CSS Pension Plan;\* the employee is limited to withdrawing the maximum (if any) imposed by provincial pension legislation

*\*Phased retirement is only permitted in AB, SK and MB.*

## 4.3 Retiring allowances

In certain circumstances, employers grant a retiring allowance to a terminating employee.

Subject to Canada Revenue Agency (CRA) limitations,\*\* all or a portion of a retiring allowance may be transferred (on a tax-deferred basis) to either a registered pension plan (CSS Pension Plan) or a registered retirement savings plan (RRSP).

### Transferring a retiring allowance to the CSS Pension Plan

Below is the proper procedure to follow when an employee receiving a retiring allowance wishes to add some or all of it to his/her CSS Pension Plan account:

1. The employee must first establish an RRSP with a financial institution. It is imperative that the RRSP be a type that can immediately be transferred out (e.g., a variable rate RRSP).
2. The employee must complete a Revenue Canada TD2 – Tax Deduction Waiver for a Direct Transfer of an Eligible Retiring Allowance form and give this form to the employer to sign to authorize the transfer of the retiring allowance to an RRSP. The employee must also send a copy of the completed TD2 form to the CSS Pension Plan to indicate that the monies in the RRSP originate from the retiring allowance.
3. A CRA T2033 form signed by the CSS Pension Plan and the employee must be submitted to the employee's financial institution (the issuer of the RRSP) to request an **immediate** transfer of funds to the CSS Pension Plan. The transfer should take place within 30 days.

*\*\*The maximum amount an employee can transfer in accordance with the CRA limits is \$2000 for each year or part year the employee was employed with an employer member before 1996 and an additional \$1500 per year or part year the employee was employed with an employer member before 1989 during which the employee did not contribute to the pension plan.*

## 5. Termination

Below is the proper procedure to follow when an employee terminates his/her employment with an employer member of the CSS Pension Plan:

- **Step 1: Employer deducts final pension contributions.** You **must** deduct CSS Pension Plan contributions from the terminating employee's final pay and include deductions from any accrued vacation pay. Vacation pay – regardless of how or when it is paid – is part of both the *regular* and *total earnings* definitions set out in the Plan's *Rules*.
- **Step 2: Employer completes the Employee Termination Notice form.** At the time of employment termination, you must complete the Employee Termination Notice form. The completed form can be uploaded on myCSSPEN for employers by authorized users or mailed or faxed to the CSS Pension Plan. Once you send the completed form, no further action is required on your part. Upon receipt of the completed termination notice form, CSS will process the termination and send the employee his/her statements and options. It is up to the employee to contact the CSS Pension Plan with any questions thereafter.
- **Step 3: Employee completes the Application for Withdrawal or Transfer form.\* CSS Pension Plan** will send the employee his/her account statements and options along with the Application for Withdrawal or Transfer Form. There is a list of options for the employee's locked-in and non-locked-in (if any) pension funds.

**a) Leaving funds in the Plan.** This is the default option. The terminating employee does not have to complete the Application for Withdrawal or Transfer form if he/she chooses to leave his/her funds in the Plan.

**b) Withdrawals and transfers.** If the terminating employee chooses to withdraw/transfer any funds out of the Plan, he/she must check the appropriate option on the Application for Withdrawal or Transfer form and submit the completed form along with any required transfer forms (indicated on the application form) to the CSS Pension Plan. The Plan processes repayments and transfers on a weekly basis.

Once the Plan receives the following, a cheque will be issued normally within two weeks:

- All final contributions from the employer
- Properly completed Employee Termination Notice and/or Application for Withdrawal or Transfer forms
- Any required transfer forms (indicated on the application form)

If a terminating employee does not make a selection, his or her funds will remain in the Plan by default. Terminating employees do not have a deadline to decide what to do with their pension funds, except in Manitoba where mandatory commutation exists for pension balances that fall below a certain threshold.

*\*An employee must not complete an Application for Withdrawal or Transfer form if he/she is going to work for another employer member of the CSS Pension Plan (as long as the employee is working for a Plan employer, he/she is still an active Plan member in our eyes). In this case, please check the appropriate box on the Employee Termination Notice indicating that the employee is transferring to another employer member of the CSS Pension Plan.*

*If you are unsure if an employee is transferring to another employer member, check other applicable termination reason on the Employee Termination Notice form. The employee will be asked to confirm whether he/she has accepted employment with any other employer member on the Application for Withdrawal or Transfer form.*

## 6. Death

If you learn that a contributing member of the CSS Pension Plan has died, please notify the Plan immediately.

Once you contact us and we receive the information we need to make arrangements for the payment of any survivor benefits that may be owing, no further involvement is required on your part.

### **Death following retirement**

If you are notified of the death of a former employee who is receiving benefits from the CSS Pension Plan, please contact us immediately.

**CSS Pension Plan**  
**Fifth floor, 333 - 3rd Ave. N.**  
**PO Box 1850**  
**Saskatoon, SK S7K 3S2**

**P: (306) 477-8500 | Toll-free: 1-844-4CSSPEN**

**F: (306) 244-1088**

**E: [css@csspen.com](mailto:css@csspen.com)**

# 7. Leaves of absence and disability

Once you learn that an employee will be taking time away from work due to a leave of absence or disability, it is important that you notify the CSS Pension Plan immediately by completing the Missed Contribution or Employment Status Change form.

## Types of leaves

An employee who has employer approval to be absent from work is considered to be on a leave of absence. There are many different types of absences that could be considered leaves, such as:

- Maternity leave
- Paternity leave
- Adoption leave
- Sick/medical leave
- Education leave
- Extended vacation
- Compassionate care leave
- Bereavement leave
- Short- or long-term disability

## 7.1 Leaves of absence

### **Contributions** (see page 24 for information on disability contributions)

Pension legislation and/or labor standards legislation (depending on your province or territory) may allow employees on the following types of leaves to voluntarily contribute to the CSS Pension Plan during the leave:

- Maternity leave
- Paternity leave
- Adoption leave

Should the employee choose to make contributions while on leave, the contributions must be made via the employer, flow through the employer's payroll system, and appear on the annual T4 slip issued by the employer as pension contributions and as part of the pension adjustment (PA).

Subject to your organization's policy, the employee may be responsible for both the employee and employer contribution amounts. For more information, please contact us.

### **Other options**

Employees who may find it difficult to make both the employer and employee contributions during a leave can still build their pension before or after their time away from work by:

- “Topping up” their pension account before going on leave
- Making additional voluntary contributions (AVCs) when they return from a leave

## Returning to work

- An employee’s service while on an approved leave of absence is considered *continuous service*. This means if an employee was contributing to the CSS Pension Plan before or during the leave, employer-matched pension contributions would restart immediately once the employee returns to work.
- If an employee was not contributing to the Plan before or during the leave, the time the employee was away on leave would count toward the waiting period to join the CSS Pension Plan.
- If a waiting period is reached while an employee is on leave, pension contributions would begin once the employee returns to work. Please keep track of the leave of absence start and end dates if the two-year waiting period will be exceeded.

## 7.2 Disability

### Contributions

Employees, employers or disability insurers are permitted, but not required, to make pension contributions during a period of disability. Any contributions made during a period of disability will be considered *required matched contributions*. Subject to your organization’s policy, the employee may be responsible for both the employee and employer contribution amounts. For more information, please contact us.

### Income guarantee payments

It is important for employers to notify the CSS Pension Plan about employees who receive income guarantee (IG) payments but are not planning to return to work.

If pension contributions are being made by an insurance provider on behalf of an employee, the employee will not have access to his or her pension funds until the IG file has been closed and payments from the insurance provider cease.

Although employees who are not planning to return to work may be classified as “terminated” by their employers for administrative purposes, the Plan would classify the employees as “active” CSS members if an insurance provider is continuing to make contributions on their behalf.

For information on IG payments, please contact the insurance provider.

### Disability pension

If an employee’s employment has terminated because of disability, illness or injury, he/she may be able to use his/her pension funds to provide a retirement income before reaching the early retirement age.

General information for employees in this situation is available on our website ([www.csspen.com](http://www.csspen.com)).



## 8. Fund transfers

### 8.1 Transferring funds out

No withdrawals or fund transfers are permitted while:

- An employee is working for a participating employer and actively contributing to the CSS Pension Plan
- An employee is on an approved leave of absence

If an employee terminates employment with an employer member of the CSS Pension Plan and goes to work for an employer that is not a member of the Plan, the withdrawal and transfer options for pension funds are as follows:

- a) The employee may choose to leave all funds in the Plan.
- b) The employee may choose to apply for a lump-sum cash repayment of any non-locked-in funds (subject to income tax) or transfer any non-locked-in funds to a registered retirement savings plan (RRSP).
- c) The employee may request a transfer of all locked-in funds to a locked-in retirement account (LIRA). Transfer forms are available on our website ([www.csspen.com](http://www.csspen.com)).
- d) If the new employer is the Government of Canada, a municipality in Saskatchewan or a Saskatchewan crown corporation, it may be possible for the employee to arrange a transfer of funds from the CSS Pension Plan to the pension plan of the new employer under the terms of existing reciprocal agreements. The employee should contact the CSS Pension Plan immediately in this regard as the agreements contain certain time limitations.

Previous service can be recognized only if a transfer is made in accordance with the terms of a reciprocal transfer agreement that may exist between the CSS Pension Plan and the other pension plan.

- e) If the new employer has a pension plan, it may be possible for the employee to arrange a transfer of funds to the pension plan of the new employer.

### 8.2 Transferring funds in

#### Funds from another registered pension plan (RPP)

An employee member with funds in another registered pension plan (RPP), locked-in retirement account (LIRA) or locked-in RRSP may be able to transfer these funds into the CSS Pension Plan, provided the jurisdiction governing the LIRA or locked-in RRSP allows it. For more information, please contact us.

#### Personal RRSPs

The CSS Pension Plan does not accept fund transfers from personal RRSPs.

## 9. T4 preparation

At the end of each calendar year, the employer is responsible for providing every contributing employee with a T4 slip that shows, along with other information, the following data:

- In Box 20 – the total employee contributions (required/matched and additional voluntary/unmatched contributions) that were deducted from the employee’s pay for the year and remitted to the CSS Pension Plan
- The CSS Pension Plan’s Canada Revenue Agency (CRA) registration number: 0345868
- In Box 52 – the pension adjustment (PA) amount. The PA amount for each employee is the total of these amounts:
  - The employee’s required/matched contributions for that taxation year, **plus**
  - The employee’s additional voluntary/unmatched contributions (if any) for that taxation year, **plus**
  - All the employer contributions made on behalf of that employee for that taxation year

# 10. Information changes

## Employer information changes

If you need to make a change to your organization's information on file with the CSS Pension Plan, please contact us.

## Employee information changes

It is important for employee members of the CSS Pension Plan to keep their personal information up to date.

Members who wish to change their address, marital status and/or name can do so by completing our Member Information Change form.

For quick and convenient address changes, members can also complete our online Address Change Request or they can contact our office.

**CSS Pension Plan**  
**Fifth floor, 333 - 3rd Ave. N.**  
**PO Box 1850**  
**Saskatoon, SK S7K 3S2**

**P: (306) 477-8500 | Toll-free: 1-844-4CSSPEN**

**F: (306) 244-1088**

**E: [css@csspen.com](mailto:css@csspen.com)**



