

# Yearend 2021

## Employer procedures for 2021 pension contributions

Managers and payroll departments:

### 2021 Contribution deadline

The deadline for 2021 pension contributions is Friday, **December 31, 2021**. Because the unit prices of the Plan's investment funds are updated each day, the year-end contribution deadline is therefore the last business day of the year. In other words, if all 2021 contributions are not received before the end of the calendar year there will be a slight difference between the total pension contributions shown on a member's 2022 annual statement and the pension contributions shown on his/her 2021 T4 slip.

Any 2021 pension contributions received in 2022 (i.e., after the December 31, 2021 cut-off) will be reflected on members' 2022 annual statements.

### Remitting contributions

Managers and payroll departments should keep in mind that pension legislation requires that all contributions be remitted to the Pension Plan **within 30 days** after being deducted from an employee's pay. Any delay in remitting pension contributions to the Plan beyond this period is contrary to pension legislation and could result in fines or other regulatory action.

### CSS Pension Plan registration number and T4 information

The CSS Pension Plan's RPP registration number is **0345868**. This number **must be** indicated in "Box 50 - RPP or DPSP Registration Number" on all employee T4 slips.

The amount reported in "Box 20 - RPP Contributions" on an employee's 2021 T4 slip must include the combined total of the employee's regular required pension contributions, plus any employee additional voluntary contributions made to the Plan for 2021. Amounts contributed by the employer are not included in Box 20.

Employers must report the 2021 Pension Adjustment (PA) amount in "Box 52 - Pension Adjustment" on all employees' T4

slips for 2021. The 2021 PA amount is simply the **combined total** of all required (matched) employee and employer contributions, **plus** any employee additional voluntary contributions, **plus** any extra employer contributions for 2021. In other words, the amount reported in Box 52 of an employee's T4 slip includes **ALL** contributions to the Pension Plan made by and on behalf of the employee for the year. Canada Revenue Agency (CRA) uses the 2021 PA amount when calculating an employee's 2022 RRSP contribution limit, which will be indicated on the employee's 2021 Notice of Assessment (the 2021 PA amount reduces the RRSP contribution room for 2022).

### CSS Pension Plan contribution limit for 2022

For 2022 the CRA **maximum** pension plan contribution limit for employee members of defined contribution pension plans, such as the CSS Pension Plan, is scheduled to be the **LESSER** of:

- **18%** of the employee's compensation for the year, or
- **\$30,780** (the CRA money purchase limit).

For example, if an employee will have an annual salary of \$30,000 in 2022, his/her pension plan contribution limit for the year will be \$5,400 (i.e., 18% of \$30,000). However, if the employee terminates his/her employment on June 30, 2022 and earns \$15,000 year-to-date, then his/her year-to-date pension plan contribution limit will be \$2,700 (i.e., 18% of \$15,000).

The CSS Pension Plan does not know an individual employee's compensation for the year. Therefore, it's the responsibility of the employer (i.e., payroll department) to ensure that the **combined employee and employer contributions, plus any additional voluntary contributions** to the Plan are within each employee's own pension plan contribution limit for the year.

An employee's 2022 CRA contribution limit to the CSS Pension Plan is separate from the amount that he/she can contribute to a personal RRSP for 2022 (the amount that an employee can contribute to an RRSP for 2022 will be indicated on his/her 2021 Notice Assessment from CRA).