

Yearend 2022

Employer procedures for 2022 pension contributions

Managers and payroll departments:

2022 Contribution deadline

The deadline for 2022 pension contributions is Friday, **December 30, 2022**. 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 2022 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 2023 annual statement and the pension contributions shown on his/her 2022 T4 slip.

Any 2022 pension contributions received in 2023 (i.e., after the December 30, 2022 cut-off) will be reflected on members' 2023 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 2022 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 2022. Amounts contributed by the employer are not included in Box 20.

Employers must report the 2022 Pension Adjustment (PA) amount in "Box 52 - Pension Adjustment" on all employees' T4

slips for 2022. The 2022 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 2022. 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 2022 PA amount when calculating an employee's 2023 RRSP contribution limit, which will be indicated on the employee's 2022 Notice of Assessment (the 2022 PA amount reduces the RRSP contribution room for 2023).

CSS Pension Plan contribution limit for 2023

For 2023 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
- **\$31,560** (the CRA money purchase limit).

For example, if an employee will have an annual salary of \$30,000 in 2023, their pension plan contribution limit for the year will be \$5,400 (i.e., 18% of \$30,000). However, if the employee terminates their employment on June 30, 2023 and earns \$15,000 year-to-date, then their 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 2023 CRA contribution limit to the CSS Pension Plan is separate from the amount that they can contribute to a personal RRSP for 2023 (the amount that an employee can contribute to an RRSP for 2023 will be indicated on their 2022 Notice Assessment from CRA).