



The Pension and Benefits Board

To: Congregational Treasurers, Synod/Presbytery Employers and Presbytery Clerks

**Re: 2012 Member Pension and Group Life Insurance
2012 Maximum Qualifying Income 2012 Health & Dental Premiums
Employer Pension Costs - Congregational Assessment**

This memo contains new rate information for treasurers and other employers responsible for payroll deductions for members of the Presbyterian Church in Canada Pension Plan and the Group Benefits Plan.

Effective January 1, 2012:

- **Maximum Qualifying Income** (for pension and group life purposes) is **\$65,580** (A&P 2011, pg 222).
- **Health and Dental premium** is **\$3,942.00 per position** plus HST where applicable.
- **Electronic Funds Transfers – EFT** remittances now possible –see next page

Clergy: Ordained & Diaconal – Monthly Member and Employer costs

Please use the following chart to calculate *Member* and *Congregation* Pension and Group Life costs:
The chart example uses the 2012 Maximum Qualifying Income, \$65,580 and a \$base example of \$195,000.

Monthly qualifying income (QI)*	Employee Pension contribution	Employee Group Life deduction	Optional group insurance	Monthly Employer Pension cost
(Basic stipend x 160%) / 12 = QI	QI x 7%	QI x 1.15% + ON (8%) PQ(9%)	Invoiced separately – cost varies + ON (8%) PQ(9%)	\$base x 3.1% / 12
\$5,465.00	\$382.55	\$62.85		\$503.75

*QI – For Professional Church workers, PCC ordained and diaconal, the qualifying income or pensionable income is defined as the sum of the actual stipend and 60% (percent) of stipend (in lieu of allowances) to the annual maximum. (A&P 2011, pg 223)

New Rate for 2012... Member Contribution Rate 7%

The member pension plan contribution rate is **7%** of the member's qualifying income.

New Rate for 2012... Group Life rate 1.15%

The member contribution rate for the group life benefits plan is **1.15%** of the member's qualifying income. Please note: in order for benefits claimed by the member to be non-taxable, the member (not the congregation) must pay the group life insurance premium.

New Rate for 2012... Congregation Contribution Rate 3.1%

The Congregational Assessment rate is 3.1% of the dollar base figure as determined by the Annual Session Statistical Report as at December 31, 2011. The Congregational Assessment is the **employer** contribution to the pension fund – it is not related to the individual minister's contribution.

Congregational Employees & Non Clergy Employees - monthly member and employer costs

Please use the following chart to calculate **Member and Employer** Pension and Benefit costs:
The chart example uses an annual salary of \$40,000.00 and health and dental premium **\$3,942.00**

Monthly qualifying income (QI)**	Employee Pension contribution	Employee Group Life deduction	Optional life insurance	Monthly Employer Pension cost
Salary + amount of health & dental premium (if applicable) /12 = QI	QI x 7%	QI x 1.15% + ON (8%)PQ(9%)	Invoiced separately – cost varies + ON (8%) PQ (9%)	QI x 7%
\$3,662	\$256.34	\$42.11		\$256.34

** For congregational employees and non clergy employees, the qualifying income or pensionable income shall include salary plus the amount of the health and dental premiums paid by the employer but shall not include any payments of bonus, overtime, or other fluctuating emoluments. If the employee is *not* a member of the Church's health and dental plan, use salary figure only.

New for 2012... Member Contribution Rates- 7%

The member pension plan contribution rate is **7%** of the member's qualifying income.

New for 2012... Group Life rate 1.15%

The member contribution rate for the group life benefits plan is **1.15%** of the member's qualifying income.

Employer Contribution Rate

The employer contribution rate for congregational employees and other non PCC clergy employees is 7% of the member's qualifying income. (Please note: the 7% employer contribution rate also applies to ordained or diaconal ministers not in a congregation, for example clergy who are employed by the colleges or 50 Wyncord.)

A Reminder about Due Dates

Pension regulations require that member and employer contributions be remitted on a **monthly** basis. Please ensure that you submit all contributions, *together with the completed remittance form*, by the last day of the month in which they are due (similar to the process you follow for CPP and EI contributions).

Remittance Forms

Please ensure that all payments are recorded on the prescribed remittance form and include:

- Member Name
- SIN #
- Congregation Code

Payments for PCC clergy within a congregation are recorded on the green remittance form. Payments for clergy *not in a congregation* and payments for congregational employees are recorded on the purple remittance form.

New for 2012 ... Electronic Funds Transfer (EFT)

The Pension and Benefits office is now able to receive your monthly remittance payments by Electronic Funds Transfers – EFT. Similar to online bill payments or online money transfers, you may arrange for EFTs through your bank for monthly pension and group life insurance payments. If you are interested in using the EFT payment method, please contact our office for our banking details and EFT remittance form information. Olive –ext 230 or Liane –ext 233

Please contact Olive Clarke at the Pension and Benefits office if you require assistance with this memo – **1-800-619-7301 or 416-441-1111 ext 230**. This form and other treasurer memos and information may be found on the Pension and Benefits Board website: www.presbyterian.ca follow the Quicklinks button -Pension and Benefits.