



The Pension and Benefits Board

TO: CONGREGATIONAL TREASURERS, PAYROLL ADMINISTRATORS

FROM: JUDY HAAS, SENIOR ADMINISTRATOR, PENSION & BENEFITS BOARD

RE: 2009 T4 PENSION ADJUSTMENTS

Please use this memo to calculate the Pension Adjustment (PA) for members of the Presbyterian Church in Canada Pension Plan. The PA is based on the member's qualifying income; the Maximum Qualifying Income for **2009 is \$62,580**.

You will need to include the following entries on the 2009 T4 slip:
Box 50 – Pension Plan Registration No. **0368902**
Box 52 – Pension Adjustment – use the appropriate formula below
Box 20 – RPP member contributions

Pension Adjustment (PA) is calculated:

- Rounded to the nearest dollar
- If the calculation results in a negative amount, the PA for the year is zero.

For members who joined the plan **after January 1, 1990** the PA formula is:

9 times (qualifying income times .015) less \$600

Examples:

1. A full time member earning the maximum qualifying income:
 $PA = 9 * (\$62,580 * .015) - \$600 = \mathbf{\$7,848}$
2. A full time member earning less than the maximum qualifying income:
 $PA = 9 * (\$45,000 * .015) - \$600 = \mathbf{\$5,475}$
3. A part time member (i.e., 60% time) earning the maximum qualifying income.
Member earnings = $\$62,580 * 0.6 = \$37,548$
 $PA = 9 * (\$37,548 * .015) - \$600 = \mathbf{\$4,469}$
4. A member who worked 3 months of the year, earning \$10,000 (i.e. a member who joined, left or terminated during the year).
 $PA = 9 * (\$10,000 * .015) - \$600 = \mathbf{\$750}$

Note: It is important to check that member earnings for part time employment or partial year employment **do not exceed the maximum qualifying income**. First annualize the earnings - $\$10,000 * (12/3) = \$40,000$. \$40,000 does not exceed the year's MQI of \$62,580 or the monthly maximum of \$5,215.00.

5. A member who was in the plan for the full year but who left one congregation 4 months into the year, with earnings of \$20,860, and immediately joined another congregation for the remainder of the year, with earnings for this period of \$41,720. Each treasurer will report separately.

In this case, the \$600 offset should be prorated.

For 1st period of service: $PA = 9 * (\$20,860 * .015) - (600 * 4/12) = \mathbf{\$2,616}$

For 2nd period of service: $PA = 9 * (\$41,720 * .015) - (600 * 8/12) = \mathbf{\$5,232}$

Total 2009 PA = \$7,848

For members who joined the plan **before January 1, 1990** the PA formula is:

9 times (qualifying income times .02) less \$600

Examples:

1. A full time member earning the maximum qualifying income:
 $PA = 9 * (\$62,580 * .02) - \$600 = \mathbf{\$10,664}$
2. A full time member earning less than the maximum qualifying income:
 $PA = 9 * (\$45,000 * .02) - \$600 = \mathbf{\$7,500}$
3. A part time member (i.e., 60% time) earning the maximum qualifying income.
Member earnings = $\$62,580 * 0.6 = \$37,548$
 $PA = 9 * (\$37,548 * .02) - \$600 = \mathbf{\$6,159}$

Please do not hesitate to contact the Pension and Benefits Board office if you require further assistance. 1-800-619-7301 or 416-441-1111. This form and other treasurer memos and information may be found on the Pension and Benefits Board website: www.presbyterian.ca - use the 'Quicklinks' button for Pension and Benefits (November 2009)

The 2010 Minimum Stipend and Allowance Schedule may be found in the 2009 Acts and Proceedings, pg 225-226 or on the PCC web site www.presbyterian.ca , search for: 135th Acts and Proceedings.