



## The Pension and Benefits Board

**TO:** Congregational Treasurers, Payroll Administrators  
**FROM:** Judy Haas, Senior Administrator, Pension and Benefits Board  
**RE:** 2011 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 contributions remitted and the member's qualifying income. **Please ensure all contributions are remitted by year end.**

You will need to include the following entries on the 2011 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.

**Use one of the following calculations:**

The formula used will depend on the date the member joined the plan. Please see *over* for examples.

Joined the plan **after** January 1, 1990 –  
**9 times (qualifying income times .015) less \$600**

**OR**

Joined the plan **before** January 1, 1990 –  
**9 times (qualifying income times .02) less \$600**

If you require assistance with the PA calculation, please contact the Pension and Benefits office.

Phone: 1-800-619-7301  
416-441-1111

Email: [pension@presbyterian.ca](mailto:pension@presbyterian.ca)  
Website: [www.presbyterian.ca/pensionsandbenefits](http://www.presbyterian.ca/pensionsandbenefits)

### **Minimum Stipend and Allowance Schedule**

The 2012 Minimum Stipend and Allowance Schedule may be found in the 2011 Acts and Proceedings, pg 222-223 or on the PCC web site [www.presbyterian.ca](http://www.presbyterian.ca), search for: 137<sup>th</sup> Acts and Proceedings.

**Please see *over* for calculation examples.**

**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:  
 $PA = 9 * (\$64,140 * .015) - \$600 = \mathbf{\$8,059}$
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 =  $\$64,140 * 0.6 = \$38,484$   
 $PA = 9 * (\$38,484 * .015) - \$600 = \mathbf{\$4,595}$
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  $\$64,140$  or the monthly maximum of  $\$5,345$ .

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  $\$21,380$  and immediately joined another congregation for the remainder of the year, with earnings for this period of  $\$42,760$ . Each treasurer will report separately.

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

For 1<sup>st</sup> period of service:  $PA = 9 * (\$21,380 * .015) - (600 * 4/12) = \mathbf{\$2,686}$

For 2<sup>nd</sup> period of service:  $PA = 9 * (\$42,760 * .015) - (600 * 8/12) = \mathbf{\$5,373}$

**Total 2011 PA = \$8,059**

**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:  
 $PA = 9 * (\$64,140 * .02) - \$600 = \mathbf{\$10,945}$
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 =  $\$64,140 * 0.6 = \$38,484$   
 $PA = 9 * (\$38,484 * .02) - \$600 = \mathbf{\$6,327}$