

QUICK REFERENCE GUIDE:

Pension Contributions

As a member of the Plan, you'll make monthly, tax-deductible contributions to your pension.

Your employer will also make contributions to the Plan on your behalf.

When we calculate contributions, we look at your pensionable earnings. This is your regular wage (whether you are paid hourly or salaried), based on your regular work schedule.

Pensionable earnings don't include items like overtime wages, meal allowances, or banked vacation payout.

CONTRIBUTION FORMULA

Effective January 1, 2015, plan members make the following contributions:

10.75% of pensionable earnings up to the year's basic exemption (YBE) of \$3,500 as defined under the Canadian Pension Plan, or CPP.

The YBE is a portion of salary upon which no CPP contributions are required. (Please note, however, that the YBE is included in salary for calculating CPP benefits.)

8.95% of pensionable earnings that are above the YBE, up to and including the year's maximum pensionable earnings (YMPE). The YMPE is the ceiling on which CPP benefits are based. It changes annually and is set at the beginning of each year.

11.85% of any pensionable earnings above the YMPE.

CONTRIBUTION EXAMPLES

- Assume YBE is \$3,500
- Assume the 2024 YMPE is \$74,600

EXAMPLE 1

Pensionable Salary: \$45,000

- $< \$3,500 \times 10.75\% = \376.25
- $\$45,000 - \$3,500 \text{ (YBE)} = \$41,500$
- $\$41,500 \times 8.95\% = \3714.25

Total annual contribution: \$4,090.50

EXAMPLE 2

Pensionable salary: \$90,000

- $< \$3,500 \times 10.75\% = \376.25
- $\$74,600 - \$3,500 \text{ (YBE)} = \$71,100$
- $71,100 \times 8.95\% = \$6,363.45$
- $\$90,000 - \$74,600 \text{ (YMPE)} = \$15,400$
- $\$15,400 \times 11.85\% = \$1,824.90$

Total annual contribution: \$8,751.50

Proud to offer
a pension plan
for life.
Provident¹⁰

Ed, Member

Provident¹⁰
REST ASSURED