

employer

BULLETIN

**PENSION
CORPORATION**

To Municipal Pension Plan employers
From Pension Corporation
June 2010

Reporting requirements for high-income earners

Your employees who are members of the Municipal Pension Plan may be affected by the 2010 maximum deductible pension contribution limit. This limit is set by Canada Revenue Agency.

For the 2010 tax year, the maximum deductible pension contribution for income tax purposes is \$16,295 for general members, \$16,715 for members with a Special Agreement (SA) and \$14,760 for members enrolled in Group 5. Group 5 applies only to police officers and firefighters, while an SA applies to police officers and firefighters and some school board and municipal employees. Plan members can only claim a tax deduction for plan contributions up to this amount, even if the amount actually deducted and contributed to the Pension Plan under its rules is higher.

The Plan Rules require members to contribute to the Plan based on all of their pensionable salary, and require the Pension Plan to provide a benefit based on all of the member's pensionable salary and service. This means you are required to deduct, remit and report contributions on all pensionable salary, but you are required only to report up to the maximum deductible contribution amount on the member's 2010 T4 slip.

The maximum deductible contribution amount changes from year to year. To advise you of the new maximum amount, we will post a bulletin in the employer section of the Municipal Pension Plan website at mpp.pensionsbc.ca.

If you require clarification, please contact us at the numbers and addresses provided.

Employer Services

PO Box 9460
Victoria BC V8W 9V8
employer.services@pensionsbc.ca

Victoria: 250 356-9701
Toll-free: (Canada and U.S.)
1 800 663-8823
Fax: 250 356-1784

mpp.pensionsbc.ca