

employer

BULLETIN

**PENSION
CORPORATION**

To Teachers' Pension Plan employers
From Pension Corporation
June 17, 2010

Deadlines for submitting purchase of service applications

We are writing with important information about upcoming deadlines for you to receive and submit purchase of service applications.

As you know, Teachers' Pension Plan member and employer contribution rates are increasing on July 1, 2010. Active plan member contribution rates will increase by 2.04 per cent of salary on that date, and employer contribution rates will increase by 1.04 per cent of salary. The new contribution rates are shown in table on the next page.

Purchase of service costs are based on salary and contribution rates in effect when the member applies for the purchase. On July 1, 2010, when contribution rates increase, purchase of service costs will also increase. Purchase of service applications received by employers by June 30, 2010 will be processed using the current contribution rates.

In recognition of the fact many school board offices will be closed in July and August, the Pension Corporation is extending the timeframe for employers to process and submit purchase of service applications from plan members. **Employers will now have until August 31, 2010 to submit applications to the Pension Corporation for purchases of service relating to periods ending on or before June 30, 2010.**

This extension only applies to employer submissions to the Pension Corporation. Plan members wishing to purchase service for periods ending on or before June 30, 2010 and based on the pre-July 1, 2010 contribution rates must still submit their applications to their employers by June 30. As noted above, applications submitted to employers after June 30 will be processed using the new, higher contribution rates effective July 1, 2010.

For more information about purchasing service, please see the plan's website at tpp.pensionsbc.ca.

The Pension Corporation is extending the timeframe for employers to process and submit purchase of service applications from plan members

Contributions as a percentage of salary

	Member		Employer	
	Old rates (%)	Rates effective July 1, 2010 (%)	Old rates (%)	Rates effective July 1, 2010 (%)
Below YMPE*				
Basic**	7.16	8.20	11.16	12.20
IAA***	2.00	3.00	1.13	1.13
Total	9.16	11.20	12.29	13.33
Above YMPE*				
Basic**	8.66	9.70	12.66	13.70
IAA***	2.00	3.00	1.13	1.13
Total	10.66	12.70	13.79	14.83

* The YMPE is the Year's Maximum Pensionable Earnings for the Canada Pension Plan. The YMPE is \$46,300 for 2009, and \$47,200 for 2010.

** Members and employers both contribute to the Basic Account to provide for the member's retirement pension. These are the rates that will increase.

*** Members and employers also contribute to the Inflation Adjustment Account to provide for cost-of-living adjustments, which are not guaranteed.

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