

Section 7 - Contributions to the Plan

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7.a. Introduction

All members of the Plan have MEPP contributions deducted from their paycheque each pay period. It is the employer's responsibility to submit those contributions and the employer matching portion to MEPP. This section of the guide will show you the information required to submit contributions to the Plan.

7.c. Contribution Remittance Requirements

Employer Information

Whether you submit contributions online or manually, the Plan requires the following information:

- employer number;
- employer name (name of your organization);
- pay schedule: MEPP has assigned a pay schedule code for your organization, based on the frequency of your remittances. Once assigned, your pay schedule code will not change unless you change your pay cycle.

Your pay schedule code is four characters:

- two alphabetic characters identify your pay cycle:
 - MN for Monthly;
 - BW for Bi-weekly;
 - WK for Weekly; and
 - SM for Semi-monthly.
- two numeric characters complete your pay cycle
- pay period begin date, which is the first date of the pay period for which you are remitting; and
- pay period end date, which is the last date of the pay period for which you are remitting.

Member Information

For each member that you are remitting, you will need:

- the member's Social Insurance Number;
- the member's name, (last name, and first name);
- Contribution Type:
 - N for normal contribution;
 - R for retroactive pay;
 - A for correction or adjustment.

**Contribution
Pay Period
Begin Date**

For electronic remittances, the contribution begin and end dates automatically populate with the date range of the payroll you are entering.

For manual remittances, enter a date here only if it is different from the pay period begin date provided at the top of the form - otherwise leave it blank.

Here are some examples of times when the contribution begin date may be different from the pay period begin date:

- if a new member starts work, or a member returns to work from a layoff or an approved leave of absence during the pay period, enter the date the member starts contributing to the Plan;
- if the member is making contributions for an approved leave of absence, (please refer to the section on Remitting Contributions for an Approved Leave of Absence) enter the first day of the pay period to which the contribution pertains; or
- if the entry is for a correction or adjustment, (please refer to Corrections and Adjustments in the Special Situations section) enter the first day of the pay period to which the correction or adjustment pertains.

**Contribution
Pay Period End
Date**

For electronic remittances, the contribution begin and end dates automatically populate with the date range of the payroll you are entering.

For manual remittances, enter a date here only if it is different from the pay period begin date provided at the top of the form - otherwise leave it blank

Here are some examples of times when the contribution end date may be different from the pay period end date:

- if a member terminates, begins a layoff or approved leave of absence during the pay period, enter the last day the member worked;
- if the member is making contributions for an approved leave of absence, (please refer to the Submitting Contributions for an Approved Leave of Absence section) enter the last day of the pay period to which the contribution pertains; or
- if the entry is for a correction or adjustment, (please refer to Corrections and Adjustments in the Special Situations section) enter the last day of the pay period to which the correction or adjustment pertains.

Service types	Each type of service a member has in the Plan has a code.
NP	service for periods while the member is normally at work.
PLC	service for contributions made after returning from a parental leave (maternity, paternity or adoption leave). The member pays 100 per cent of the contributions.
PLM	service for contributions made after returning from a parental leave (maternity, paternity or adoption leave). The member pays 50 per cent of the contributions and the employer pays 50 per cent of the contributions.
LAC	service for contributions made after returning from a leave of absence. The member pays 100 per cent of the contributions.
LAM	service for which a member makes contributions after returning from a leave of absence. The member pays 50 per cent of the contributions and the employer pays 50 per cent of the contributions.

Pensionable Salary

The salary reported for each member is the member's Pensionable Salary. Pensionable Salary may not be the same as the total salary paid to an member each pay period.

Pensionable Salary is reported on an as-earned basis. If, for example, a member elects to defer salary (for example works for 10 months but receives payment over 12 months), report that member's salary and remit the appropriate contributions in the pay period during which the service was performed, not when salary is paid.

Include the following types of payments in the salary you report to MEPP:

- wages paid at the regular wage rate;
- wages paid for acting pay/temporary performance of higher duties;
- statutory holiday pay (whether paid in lieu of a statutory holiday or paid on every paycheque);
- commissions;
- vacation pay (if paid on every pay cheque or paid when vacation is actually taken);
- retroactive pay (broken down by year);
- shift differential;
- deemed wages paid at the regular rate for members who are receiving disability payments and choose to continue contributing to the Plan; and any
- wages paid at the regular rate for members who are receiving salary while on sick leave.

Do not include the following amounts in the salary you report to MEPP:

- overtime;
- pay for travel expenses;
- severance pay;
- standby pay;
- premiums paid for disability insurance;
- reimbursement of membership dues, bursaries or other expenses;

- taxable benefits;
- lump-sum payments in lieu of notice, vacation, scheduled days off or sick leave;
- bonuses; and
- SUB plan payments.

Contribution

Add the member's contribution to the employer's contribution for a total combined contribution for each member.

Employers and members share equally in the funding of the Plan. Employers are responsible for remitting both member and employer contributions. To calculate contributions, multiply each member's pensionable salary by the contribution rate.

Current contribution rates are available on the MEPP website at http://www.peba.gov.sk.ca/MEPP/mepp_contribution_rates.html.

See the Special Situations section for information on submitting contributions other than normal contributions such as retroactive pay, adjustments and corrections.

Hours Paid

Hours paid is the number of hours for which a member received pensionable salary in a pay period.

Do not include any hours worked at an overtime wage rate.

Pensionable service is the service for which members make contributions to the Plan. Pensionable service is used in the calculation of a member's pension benefit at retirement.

To ensure all members receive appropriate pensions, MEPP credits service based on the number of hours a member works compared to the number of hours considered full-time.

Potential hours Potential hours represent the number of hours that would generally be considered full-time for a position.

The number of potential hours available in a pay period depends on what is considered to be full-time hours for each member or group of members. Employers have the discretion to determine full-time hours for their members within the following guidelines:

- full-time hours cannot be less than 30 hours per week;
- for General Members, full-time hours cannot exceed 40 hours per week unless an altered work schedule such as a 5-5-4 work week exists; and
- for Designated Police Officers and Firefighters, full-time hours can reach the maximum allowed in the [Platoon Act](#).

If there is a collective agreement in place, it will define full-time hours for each occupation group. If a group of members normally work less than 30 hours per week, potential hours should be the same as the closest similar group.

Paid days off (vacations and sick leave) are included as potential hours.

Statutory holidays are included in potential hours if the member receives pay for the day as if it was a day worked. If statutory holiday pay is paid on every cheque, the statutory holiday hours are not included in potential hours.

Potential Hours Examples Example 1: The table shows us that if the member works seven hours per day and is paid bi-weekly, there would be 70 potential hours in each pay period. Full time hours cannot be less than 30 hours/week.

Member is paid	Regular hours of work per day				
	8.00	7.50	7.00	6.50	6.00
Monthly	172	162	150	140	130
Semi-Monthly	86	81	75	70	65
Bi-weekly	80	75	70	65	60

For members who work part-time, potential hours are based on the hours that would be considered full-time hours (cannot be less than 30 hours/week) for that position.

Example 2: If a monthly paid, part-time member works four hours per day but the full-time hours for the position is six hours, the table shows us the potential hours would be 130 for each pay period.

Member is paid	Regular hours of work per day				
	8.00	7.50	7.00	6.50	6.00
Monthly	172	162	150	140	130
Semi-Monthly	86	81	75	70	65
Bi-weekly	80	75	70	65	60

Potential hours for members who work less than the whole pay period.

If a member works for only a portion of the pay period the potential hours must be adjusted to reflect this.

To determine the adjusted potential hours, multiply the potential hours for the entire pay period by the portion of the pay period the member worked.

You can find Potential Hours Tables at <http://www.peba.gov.sk.ca/pensions/mepp/about/contribution-rates.html>

For example:

A member was hired, or returned to work from a leave or layoff, 10 working days into a pay period that consisted of 21 working days. The portion of pay period worked would be 57.1% (12/21).

Potential hours for the pay period were 170 hours. You would report 97.1 potential hours for this member for this pay period (170 x 57.1%).

The same process would be followed if a member terminated or went on leave or layoff in a pay period.

7.d. Maximum Contributions

Canada Revenue Agency (CRA) annually determines the maximum pension a member can earn in the year. Based on the maximum pension, MEPP calculates the maximum salary on which members can make contributions. Once the member's salary reaches the maximum salary, stop submitting contributions for that member. Check the MEPP website under Employer Information for the Maximum Pensionable Salary Guide or call the Plan for more information.

For members whose salary does exceed the maximum, prior to the year end, inform MEPP of the member's actual salary and service for the remainder of the year. This is required to ensure the correct service is credited to the member and to maintain a record of actual salary.

7.e. Timelines for Submitting Contributions

Accurate and timely remittance of contributions is important.

MEPP must receive contributions within 15 days after the end of the pay period.

If you remit monthly, but pay your members on a bi-weekly or semi-monthly basis, report completed pay periods only for each month. Pay periods that begin in one month and end in the following month should be reported in the month in which they end. Record the appropriate begin and end dates for each pay period on the *Payroll Deduction Return* (PDR) form or payroll file (online submission).

A separate payroll file/PDR must be prepared for each pay period. If you pay your members bi-weekly or semi-monthly and remit your contributions on a monthly basis, prepare and submit two separate payroll file/PDRs with the remittance; one for each pay period.

Alternatively, you may complete and remit a payroll file/PDR and contribution at the end of each pay period.

December remittances must be received by the end of the first full week in January to ensure that contributions are included in the year-end statements to members.

7.f. Penalties for Late Contribution Remittances

The MEPP Commission charges interest on late remittances.

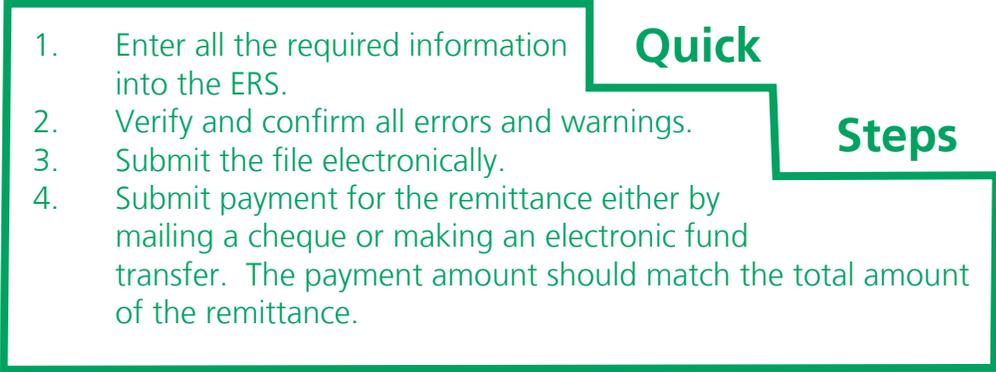
7.g. Online Contribution Submission (The Employer Remittance System)

In 2008 MEPP made an online contribution submission system available to employers - the Employer Remittance System (ERS). There are three options for submitting contributions using the ERS.

You may:

- manually key each remittance;
- retrieve a remittance you've previously uploaded and change the information (pay period etc.);
- upload an excel file from your existing payroll system.

Please see sections 8 - 12 for detailed instructions on using the MEPP ERS

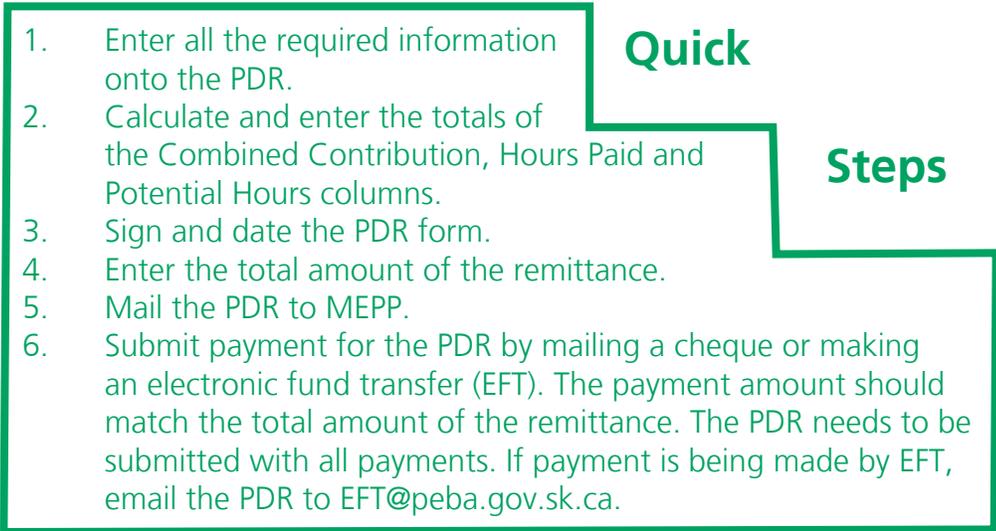
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1. Enter all the required information into the ERS.
 2. Verify and confirm all errors and warnings.
 3. Submit the file electronically.
 4. Submit payment for the remittance either by mailing a cheque or making an electronic fund transfer. The payment amount should match the total amount of the remittance.

Sections 8-12 have detailed instructions on the MEPP ERS.

**If you have any questions about
submitting contributions, contact MEPP.**

7.h. Manual Contribution Submission

Prior to 2008, MEPP employers submitted contributions by filling out a Payroll Deduction Return (PDR) and mailing it to MEPP with a cheque. This option is still available, however, we encourage all employers to use the ERS to submit contributions online.

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- Quick Steps**
1. Enter all the required information onto the PDR.
 2. Calculate and enter the totals of the Combined Contribution, Hours Paid and Potential Hours columns.
 3. Sign and date the PDR form.
 4. Enter the total amount of the remittance.
 5. Mail the PDR to MEPP.
 6. Submit payment for the PDR by mailing a cheque or making an electronic fund transfer (EFT). The payment amount should match the total amount of the remittance. The PDR needs to be submitted with all payments. If payment is being made by EFT, email the PDR to EFT@peba.gov.sk.ca.

Please:

- do not alter the PDR form by omitting, adding or re-naming columns;
- ensure all fields or columns appear in the same order as they do on the original PDR form; and
- include all of the information requested on the original PDR form.

7.i. Calculating Contributions

Example **General Member**

John is a general member of the Plan. His monthly salary is \$2,540. John's monthly contribution to MEPP would be:

$$0.0815 \quad \times \quad \$2,540 \quad = \quad \$207.01$$

John's contribution is \$207.01. The employer contribution is also \$207.01.

You would show the combined contribution in your remittance.

$$\$207.01 \times 2 = \$414.02.$$

Designated Police Officer & Firefighter

Peter is a police officer, so he belongs to the Designated Police Officers and Firefighters member type. His monthly salary is \$3,500. Peter's monthly contribution to MEPP would be:

$$0.1135 \quad \times \quad 3,500 \quad = \quad \$397.25$$

Peter's contribution is \$397.25. The employer contribution is also \$397.25.

You would show the combined contribution in your remittance.

$$\$397.25 \times 2 = \$794.50.$$

7.j. Special Situations

Members Who Work Less Than 12 Months Per Year

For members who work less than 12 months per year, report pensionable salary and service as it is earned.

Some members, particularly in the education sector, work approximately 10 months per year, but are paid over 12 months. For these members, salary and service should be reported in the months in which it is earned, not when the salary is paid. In this situation, employers should remit over 10 months (or the equivalent number of pay periods), rather than over the course of the entire year.

Statutory Holidays

If you pay statutory holiday pay as a percentage of salary on each paycheque, increase the hours paid by the same percentage you increase the pensionable salary. The potential hours do not change.

If you pay statutory holiday pay when the holiday actually occurs, report the holiday hours in the calculation of hours paid as though the day was a normal business day.

For the purposes of determining hours paid, report the number of hours on the same basis as you determine Pensionable Salary for regular days.

Overtime

Do not include overtime paid at a premium rate in either hours paid or potential hours.

Members under Section 7 of The Labour Standards Regulations

Members to whom Section 7 of *The Labour Standards Regulations* apply can work more than 40 hours per week at the regular wage rate (road maintenance workers of rural municipalities). In this instance, these hours should be included as hours paid, but not included as potential hours.

Retroactive Pay

When reporting retroactive pay (back pay as a result of negotiations), you must indicate the contribution period(s) to which the pay applies and allocate a portion of the retroactive pay for the contribution period during which the member worked. You may submit the total amount in the last pay period of the year to which the pay pertains.

MEPP cannot accept retroactive pay for members who are no longer members of the Plan. If the member is no longer a member of the Plan, do not deduct pension contributions. Prior to submitting retroactive pay/contributions please send MEPP a list of all members who have terminated but are affected by the retroactive pay.

Do not report potential hours or hours paid for retroactive pay.

Corrections and Adjustments

Specify the contribution begin and end dates for the pay period to which the correction or adjustment pertains.

Report only the actual change to salary, contributions, hours paid or potential hours. For example, when reporting corrections or adjustments to salary or contributions only, do not report hours paid or potential hours, unless they are being adjusted or corrected as well.

Banked Time

If you allow your members to bank time, report the hours paid in the pay period in which the time was taken, not when the time was worked.

Disability Leave

Members receiving disability benefits may elect to continue contributing to the Plan while on disability leave. If the member wishes to contribute, the employer must pay the employer's contribution.

Contact MEPP to confirm the amounts that should be reported.

Do not report nil contributions. If an member is not at work because of lay-off or leave of absence, complete the [Lay off/ Approved Leave of Absence](#) form.

7.k. Calculating Contributions for Leave of Absence

Contributions for a leave of absence (calculated using pre-leave contributions) are equal to the employer and member contributions that would have been made to the Plan had the member been working during the period of leave.

Call MEPP for a quote on Leave of Absence contributions.

If a member chooses to make contributions for the period of leave of absence, the member is responsible for both member and employer contributions.

You may elect to pay the employers contributions for the period of leave of absence - unless the contributions were for a disability/sickleave - then the employer is required to contribute.

Contributions for a leave of absence must begin within 90 days of the member's return to work.

Methods of Payment

Members may make contributions for periods of leave of absence by:

- lump-sum payment, with a personal cheque;
- lump-sum transfer from the member's RRSP; or
- payroll deduction.

See the section on Time Away From Work (Section 5) for more information on the options for submitting contributions for a leave of absence.

7.l. Submitting Contributions for Leave of Absence

Submitting lump-sum LOA contributions

If a member brings you a lump-sum payment (cheque) for contributions for a LOA you may submit the entire amount on one payroll submission. You must show each pay period for which the contributions are being made. This information will be found on the quote you received from MEPP.

Submitting LOA contributions from an RRSP

This option is handled between MEPP and the member. If the leave is an approved disability/medical leave, MEPP will contact the employer for their contributions once the employee's contributions have been received by MEPP.

Submitting Contributions Made by Payroll Deduction

Contributions for a period of leave of absence must be reported by pay period. Service types for leave of absence contributions should be reported as:

- PLC – for parental leaves of absence where the member is responsible for 100 per cent of the contributions;
- PLM – for parental leaves of absence where the member contributes 50 per cent and the employer contributes 50 per cent of the contributions;
- LAC – for all other types of leaves of absence where the member is responsible for 100 per cent of the contributions; and
- LAM – for all other types of leaves of absence where the member contributes 50 per cent and the employer contributes 50 per cent of the contributions.

Each pay period must be reported separately, indicating the contribution begin date and end date for each period to which the contribution pertains.

Special Situations

If a member began a leave of absence during a pay period (in the middle of a pay period rather than at the beginning or end of a pay period), the first remittance should be for the portion of the pay period during which the member began the leave of absence. The last remittance should be for the portion of the pay period during which the member returned to work.