

DATE: November 13, 2019
To: Human Resource Managers – participating PSSP Employers
FROM: Cathy Clarke – Manager, Employer Services
SUBJECT: Nova Scotia Public Service Superannuation Plan
 • Year’s Maximum Pensionable Earnings (YMPE) 2020
 • Pension Adjustment (PA) Calculations 2019
 • Supplementary Employee Retirement Plan (SERP) 2020

YMPE

The Year’s Maximum Pensionable Earnings under the Canada Pension Plan for the calendar year 2020 is \$58,700, or bi-weekly \$2,257.69 (26 pays) or \$2,174.07 (27 pays).

The following examples outline how pension contributions should be calculated for a full-time and part-time employee.

Example #1:

Full-time employee with a bi-weekly rate of \$3,000.00, work percentage is 100%:

	<u>26 pays in 2020</u>	<u>27 pays in 2020</u>
1. Calculate contributions under the YMPE:	$\$2257.69 \times .084 = 189.65$	$\$2174.07 \times .084 = 182.62$
2. Calculate contributions over the YMPE:	$\$3000 - 2257.69 = 742.31 \times .109 = 80.91$	$\$3000 - 2174.07 = 825.93 \times .109 = 90.03$
3. Calculate total biweekly contributions:	$\$189.65 + 80.91 = 270.56$	$\$182.62 + 90.03 = 272.65$
Required bi-weekly employee contributions:	\$270.56	\$272.65

Example # 2:

Part-time employee with bi-weekly full-time equivalent salary rate \$3000.00, work percentage is 75%:

	<u>26 pays in 2020</u>	<u>27 pays in 2020</u>
1. Calculate contributions under the YMPE:	$\$2257.69 \times .084 = 189.65$	$\$2174.07 \times .084 = 182.62$
2. Calculate contributions over the YMPE using the 100% salary rate:	$\$3000 - 2257.69 = 742.31 \times .109 = 80.91$	$\$3000 - 2174.07 = 825.93 \times .109 = 90.03$
3. Calculate total biweekly contributions:	$\$189.65 + 80.91 = 270.56$	$\$182.62 + 90.03 = 272.65$
4. Reduce contributions by work percentage:	$\$270.56 \times .75 = 202.92$	$\$272.65 \times .75 = 204.49$
Required bi-weekly employee contributions:	\$202.92	\$204.49

PA CALCULATION

The factors to be used in the calculation of PA's for **2019** are:

YMPE	\$ 57,400.00
Maximum benefit accrual	\$ 3,025.56
Maximum PA	\$ 26,630.00

SERP (2020)

The annual Supplementary Employee Retirement Plan (SERP) cap limit for 2020 is \$175,156 which is \$6,736.77 bi-weekly (26 pays) or \$6,487.26 (27 pays).

Employers who participate in the SERP should cap employer contributions at \$677.87 bi-weekly (26 pays) or \$652.76 (27 pays).

Employers who do not participate in the SERP should cap both employee and employer contributions at the 2020 limits. Bi-weekly salary rates should not exceed the SERP cap rates \$6,736.77 bi-weekly (26 pays) or \$6,487.26 (27 pays).

MORE INFORMATION

Should you have questions about any of the above, please contact us at pensionsinfo@nspension.ca or call 1-800-774-5070 (toll free) or 424-5070 (local).