



DATE: November 26, 2020
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) 2021
 • Pension Adjustment (PA) Calculations 2020
 • Supplementary Employee Retirement Plan (SERP) 2021

YMPE

The Year’s Maximum Pensionable Earnings under the Canada Pension Plan for the calendar year 2021 is \$61,600, or bi-weekly \$2,369.23 (26 pays) or \$2,281.48 (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 2021</u>	<u>27 pays in 2021</u>
1. Calculate contributions under the YMPE:	$\$2369.23 \times .084 = 199.02$	$\$2281.48 \times .084 = 191.64$
2. Calculate contributions over the YMPE:	$\$3000 - 2369.23 = 630.77 \times .109 = 68.75$	$\$3000 - 2281.48 = 718.52 \times .109 = 78.32$
3. Calculate total biweekly contributions:	$\$199.02 + 68.75 = 267.77$	$\$191.64 + 78.32 = 269.96$
Required bi-weekly employee contributions:	\$267.77	\$269.96

Example # 2:

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

It is important to note that the contributions are always calculated on the 100% salary first and then reduced by the work percentage:

	<u>26 pays in 2021</u>	<u>27 pays in 2021</u>
1. Calculate contributions under the YMPE:	$\$2369.23 \times .084 = 199.02$	$\$2281.48 \times .084 = 191.64$
2. Calculate contributions over the YMPE using the 100% salary rate:	$\$3000 - 2369.23 = 630.77 \times .109 = 68.75$	$\$3000 - 2281.48 = 718.52 \times .109 = 78.32$
3. Calculate total biweekly contributions:	$\$199.02 + 68.75 = 267.77$	$\$191.64 + 78.32 = 269.96$
4. Reduce contributions by work percentage:	$\$267.77 \times .75 = 200.83$	$\$269.96 \times .75 = 202.47$
Required bi-weekly employee contributions:	\$200.83	\$202.47

PA CALCULATION

The factors to be used in the calculation of PA's for **2020** are:

YMPE	\$ 58,700.00
Maximum benefit accrual	\$ 3,092.22
Maximum PA	\$ 27,230.00

SERP (2021)

The annual Supplementary Employee Retirement Plan (SERP) cap limit for 2021 is \$183,838 which is \$7070.69 bi-weekly (26 pays) or \$6,808.81 (27 pays).

Employers who participate in the SERP should cap employer contributions at \$711.47 bi-weekly (26 pays) or \$685.12 (27 pays).

Employers who do not participate in the SERP should cap both employee and employer contributions at the above 2021 limits. Bi-weekly salary rates should not exceed the SERP cap rates \$7070.69 bi-weekly (26 pays) or \$6,808.81 (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).