

Prior Year(s) Contribution Arrears Notice



SHEPP
People. Pensions. Results.

1 Member Record

Member Information

First Name _____ Middle _____ Last Name _____
SIN _____ Date of Birth (dd/mm/yyyy) _____ Member ID# _____

FORM ID: 013

CASE ID: _____

Employer Declaration

Employer Number _____ Employer Name _____

The employer declares that the member received SHEPP pensionable earnings during the arrears period from which member and employer required contributions were due to the Plan but were not collected or remitted. The employer requests certification from SHEPP administration of the contribution arrears amount now due to the Plan in respect of the credit of the arrears period. The employer certifies the following information to be true and complete.

2 Contribution Arrears Details

See page 2 for instructions. Arrears Period (dd/mm/yyyy) from _____ to _____

Arrears Period Payroll Information (This section must be completed in full.)

| Year | Pensionable Earnings | Months of Credited Service | Full-Time Equivalent Service | Pension Adjustment |
|------|----------------------|----------------------------|------------------------------|--------------------|
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| | | | | |

3 Authorisation

Employer Authorisation

Contact Name _____ Title _____
Phone _____ Fax _____ Email _____

Contact Signature Date (dd/mm/yyyy)

4 SHEPP Internal Processing

| | | |
|-----------------------------------|---|--|
| Calculation Date | Calculation Method: <input type="checkbox"/> Contributions Plus Interest <input type="checkbox"/> Actuarial Reserve | |
| Contribution Arrears Amount Due | Due Date | |
| Actuarial Reserve Amount | | |
| Principal Employee Contributions | | |
| Principal Employer Contributions | | |
| Interest on Contributions | | |
| Total Contributions Plus Interest | | |
| Comments | | |
| Authorised Signature | Name (please print) | |
| Date (dd/mm/yyyy) | Phone | |

Instructions

✓ Submit this form to SHEPP

✓ Keep a copy for your files

SHEPP recognises and respects the importance of your privacy. Personal information collected is used for the purpose of administering your benefits under the Plan.

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Prior Payroll Years Contribution Arrears

General: Prior year(s) contribution arrears exist when an employee of a participating employer was enrolled in the Plan or was required to enrol in the Plan or optionally elected to enrol in the Plan, received pensionable earnings from the participating employer in respect of which member and employer required contributions were due but were not collected and remitted to the Plan. It falls exclusively to the participating employer to declare whether or not contribution arrears exist.

Prior year(s) contribution arrears must be calculated by SHEPP administration. For period of arrears that do not extend beyond five years prior to the date the employer declares arrears to exist or for periods beyond five years but occurring after enrolment and the commencement of member required contributions, the contribution arrears amount due to the Plan is the sum of the required contributions that would have been contributed to the Plan by the member, based upon the member's actual pensionable earnings and the prescribed contribution rates, plus interest at the rates credited upon the member's contribution account during the arrears period, plus an amount equal to 112% of the sum of the member contributions plus interest. This is called the **contributions plus interest basis**.

Where the arrears period is greater than five years prior to the date the employer declares arrears to exist and the member had not commenced required contributions through payroll deduction prior to the arrears period start date, the contribution arrears amount due to the Plan for the entire arrears period is calculated on an **actual reserve basis**.

SHEPP offers no opinion or advice on if or how the contribution arrears amount due to the Plan is to be shared between the member and the employer.

Payroll Data:

Pensionable Earnings - report the member's regular straight-time earnings excluding premium pay such as overtime, shift differential, etc.

Months of Credited Service - report the number of months in the year for which the member is to receive credit for service under SHEPP. A member receives credit for each calendar month in which she received SHEPP pensionable earnings and contributes to the Plan on those earnings. The maximum credited service in any year is 12 months.

Full-Time Equivalent Service - report the member's pensionable service in the year as a percentage of full-time employment. This is calculated by summing the number of hours in the year for which the member received pensionable earnings and dividing that sum by the number of hours the member would have worked had she worked full-time for the full year. For example, full-time equivalent service for a member in contribution arrears for 2012 where contributions are due upon \$20,000 of pensionable earnings earned through 1,000 hours of straight-time employment in a position with annual full-time hours of 1,942.2, would be $1,000/1,942.2 = 0.5149$.

Payment: The full contribution arrears amount is due on the date shown in the SHEPP section of the notice. Late payments are subject to interest charges compounded monthly. Invoices for late payments will be issued upon payment falling past due.

Reporting: Prior year(s) arrears must be handled outside current year payroll processing. That is, prior year pensionable earnings upon which contribution arrears are due, member paid prior year(s) arrears contribution and prior year(s) service must not be included in the current year payroll data reported to SHEPP.

It falls to the participating employer to calculate and report the pension adjustment for all prior years. It is expected that the employer will report the re-determined pension adjustments by issuing amended T4 slips for the relevant years.

It falls to the employer to report the portion of the contribution arrears paid by the member for tax deduction purposes. It is expected that the employer will do so by amending the member's T4 slip for the year in which the member made the contribution arrears payment to include the amount paid by the member's registered pension plan contribution for the year.