



INFORMATION SHEET About Your T4A

Members on Approved Disability

IMPORTANT

Please keep all T4A slips you receive from SHEPP for your records. You will need the pension adjustment (PA) information found on your T4A when you file your annual income tax return.

Why am I receiving a T4A?

Each February, T4A slips are mailed to members, like you, who were approved for Disability Income Plan Benefits for all or part of the previous year. The T4A slip shows your pension adjustment (PA) for the taxation year.

Some members on approved disability receive one or more T4A slips from SHEPP reporting PAs for *previous* years. These are issued if a member:

- is retroactively approved for Disability Income Plan Benefits; or
- has been on approved disability for more than a year, and the information previously used to calculate the member's PA(s) changes.

We also send a copy of *all* issued T4A slips to the Canada Revenue Agency (CRA) because your PA is used to calculate your annual Registered Retirement Savings Plan (RRSP) deduction limit.

What is a Pension Adjustment (PA)?

The PA is a measure representing the value of benefits

earned during the year under a registered pension plan (SHEPP). This amount is neither income nor a deduction. Rather, it is used to determine your RRSP room for the following year. The amount of money you may contribute to your RRSP in the current year is reduced by the PA amount(s) for the previous year reported on your enclosed T4A.

Your employer calculates the estimated value of the SHEPP lifetime pension you've earned each year according to a formula set by the CRA. The estimated value is your PA. Normally, your employer would report the PA to the CRA on a T4 each year, but when you're on approved disability, the PA is reported to the CRA by SHEPP on a T4A.

Why do I have a PA even though I am on disability?

While you're on approved disability, SHEPP maintains your pension benefit as if you were still at work. You continue to earn credited service and build your pension throughout the approved disability period even though no contributions are paid to the Plan by you or your employer. For the period you're on approved disability, SHEPP calculates your PA based on your pre-disability rate of pay and reports it to the CRA on your behalf. Box 034 on your T4A slip shows your PA for the pension earned while you were on approved disability for all or part of the taxation year.

What should I do with my T4A?

Please keep your T4A for your records and for the purpose of filing your income tax return.

For more information, visit www.shepp.ca or call 306.751.8300 (in Regina) or 1.866.394.4440 (Toll-free).

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