

FAQs - Employee contribution increase to the Dalhousie University Staff Pension Plan

January 17, 2013

Retroactive from **July 1, 2012**, Dalhousie will implement an increase in the employee contributions to the University's defined benefit pension plan.

1. Q. What is the effective date of this change?

A. The effective date of this change is **July 1, 2012**.

2. Q. I have reached 35 years of pensionable service in the Dalhousie plan. Will I pay the 2% contribution?

A. Once you have reached 35 years of pensionable service you are no longer required to contribute to the plan.

3. Q. I am retiring in 2013. Will my final salary include the 2% salary increase?

A. This increase in pensionable salary will be included in the salary history of the member and therefore included in the calculation of the pension benefits, as prescribed by the Plan.

4. Q. Will the additional 2% contribution be included in the sum of contributions compounded (SOCC) calculation, if I terminate my employment?

A. No, however these contributions will be tracked and you will be refunded any member contributions that exceed more than 50% of the value of your pension.

5. Q. If the 2% increase in pension contributions for the last six months will be deducted from our pay in January or February, can you provide a sample as to how much will be deducted?

A. The following are sample scenarios based on four different salaries:

- Biweekly pay, \$35,000/year
- Monthly pay, \$55,000/year
- Monthly pay, \$80,000/year
- Monthly pay, \$120,000/year

Biweekly pay, \$35,000/year

BIWEEKLY (26 PAYS), \$35,000/year					
<u>PREVIOUS PAY</u>		<u>ONGOING NEW PAY</u>		<u>ONE-TIME PAY (WITH RETRO)</u>	
Annual Salary	35,000.00	2% Offset	35,700.00	2% Offset and Retro	35,700.00
Gross biweekly salary	1,346.15	Gross biweekly salary	1,373.08		1,373.08
				Retro Amount (one-time)	376.92
				Gross biweekly salary	1,750.00
<u>DEDUCTIONS</u>		<u>DEDUCTIONS</u>		<u>DEDUCTIONS</u>	
Federal Tax	107.02	Federal Tax	106.42	Federal Tax	99.16
Provincial Tax	83.02	Provincial Tax	82.53	Provincial Tax	76.89
CPP	59.97	CPP	61.30	CPP	79.96
EI	25.31	EI	25.81	EI	32.90
Dal Pension	79.90	Dal Pension	81.56	Dal Pension	104.18
	355.22	2% Pension adjustment (ongoing)	27.46	2% Pension adjustment (ongoing)	27.46
				Pension Retro (one-time)	376.92
			385.08		797.47
NET	990.93	NET	988.00	NET	952.53
		DIFFERENCE (ongoing)	-2.94	DIFFERENCE (one-time)	-35.47

Monthly pay, \$55,000/year

MONTHLY (12 PAYS), \$55,000/year					
<u>PREVIOUS PAY</u>		<u>ONGOING NEW PAY</u>		<u>ONE-TIME PAY (WITH RETRO)</u>	
Annual Salary	55,000.00	2% Offset	56,100.00	2% Offset and Retro	56,100.00
Gross monthly salary	4,583.33	Gross monthly salary	4,675.00		4,675.00
				Retro Amount (one-time)	550.00
				Gross monthly salary	5,225.00
<u>DEDUCTIONS</u>		<u>DEDUCTIONS</u>		<u>DEDUCTIONS</u>	
Federal Tax	501.08	Federal Tax	499.44	Federal Tax	492.18
Provincial Tax	406.17	Provincial Tax	405.06	Provincial Tax	400.12
CPP	212.44	CPP	216.98	CPP	244.20
EI	86.17	EI	87.89	EI	98.23
Dal Pension	275.63	Dal Pension	281.27	Dal Pension	314.27
	1,481.49	2% Pension adjustment (ongoing)	93.50	2% Pension adjustment (ongoing)	93.50
			1,584.14	Pension Retro (one-time)	550.00
					2,192.50
NET	3,101.84	NET	3,090.86	NET	3,032.50
		DIFFERENCE (ongoing)	-10.98	DIFFERENCE (one-time)	-58.36

Monthly pay, \$80,000/year

MONTHLY (12 PAYS), \$80,000/year					
<u>PREVIOUS PAY</u>		<u>ONGOING NEW PAY</u>		<u>ONE-TIME PAY (WITH RETRO)</u>	
Annual Salary	80,000.00	2% Offset	81,600.00	2% Offset and Retro	81,600.00
Gross monthly salary	6,666.67	Gross monthly salary	6,800.00		6,800.00
				Retro Amount (one-time)	800.00
				Gross monthly salary	7,600.00
<u>DEDUCTIONS</u>		<u>DEDUCTIONS</u>		<u>DEDUCTIONS</u>	
Federal Tax	931.23	Federal Tax	928.84	Federal Tax	918.28
Provincial Tax	721.37	Provincial Tax	719.56	Provincial Tax	711.55
CPP	315.56	CPP	322.16	CPP	361.76
EI	125.33	EI	127.84	EI	142.88
Dal Pension	403.76	Dal Pension	411.96	Dal Pension	459.96
	2,497.25	2% Pension adjustment (ongoing)	136.00	2% Pension adjustment (ongoing)	136.00
			2,646.36	Pension Retro (one-time)	800.00
					3,530.43
NET	4,169.42	NET	4,153.64	NET	4,069.57
		DIFFERENCE (ongoing)	-15.78	DIFFERENCE (one-time)	-84.07

Monthly pay, \$120,000/year

MONTHLY (12 PAYS), \$120,000/year					
<u>PREVIOUS PAY</u>		<u>ONGOING NEW PAY</u>		<u>ONE-TIME PAY (WITH RETRO)</u>	
Annual Salary	120,000.00	2% Offset	122,400.00	2% Offset and Retro	122,400.00
Gross monthly salary	10,000.00	Gross monthly salary	10,200.00		10,200.00
				Retro Amount (one-time)	1,200.00
				Gross monthly salary	11,400.00
<u>DEDUCTIONS</u>		<u>DEDUCTIONS</u>		<u>DEDUCTIONS</u>	
Federal Tax	1,704.69	Federal Tax	1,700.46	Federal Tax	1,681.74
Provincial Tax	1,256.47	Provincial Tax	1,253.62	Provincial Tax	1,241.02
CPP	480.56	CPP	490.46	CPP	549.86
EI	188.00	EI	191.76	EI	214.32
Dal Pension	608.76	Dal Pension	621.06	Dal Pension	693.06
	4,238.48	2% Pension adjustment (ongoing)	204.00	2% Pension adjustment (ongoing)	204.00
			4,461.36	Pension Retro (one-time)	1,200.00
					5,784.00
NET	5,761.52	NET	5,738.64	NET	5,616.00
		DIFFERENCE (ongoing)	-22.88	DIFFERENCE (one-time)	-122.64

If you have further questions about your pay, please contact the Payroll office at payroll@dal.ca or 494-3700, and if you have questions about the pension plan, please contact pensions@dal.ca or 494-1122.