

**DATE:** November 14, 2019  
**To:** Human Resource Managers  
**FROM:** Cathy Clarke – Manager, Employer Services  
**SUBJECT:** Nova Scotia Teachers' Pension Plan

- Year's Maximum Pensionable Earnings (YMPE) 2020
- Pension Adjustment (PA) Calculations 2019
- Supplementary Employee Retirement Plan (SERP) 2020

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### **YMPE**

The Year's Maximum Pensionable Earnings under the Canada Pension Plan for the calendar year 2020 is \$58,700.

Using the example of an employee paid at an annual rate of \$90,087.00 – TC7 (max), pension contributions would be calculated as follows:

	<u>26 pays in 2020</u>	
1. Calculate contributions under the YMPE:	$\$58,700 \times .113$	= 6,633.10
2. Calculate contributions over the YMPE:	$\$90,087 - 58,700 = 31,387 \times .129$	= 4,048.92
3. Calculate total biweekly contributions:	$\$6,633.10 + 4,048.92$	= 10,682.02
Required annual employee contributions:	$\$10,682.02$	

### **PA CALCULATION**

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

2019 YMPE	\$ 57,400.00
2019 Maximum benefit accrual	\$ 3,025.56
Maximum PA 2019	\$ 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). Employers who participate in the SERP should cap employer contributions at \$832.92 bi-weekly (26 pays) or \$802.07 (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 \$6487.26 (27 pays).

### **MORE INFORMATION**

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