

**DATE:** November 26, 2020  
**To:** Human Resource Managers  
**FROM:** Cathy Clarke – Manager, Employer Services  
**SUBJECT:** Nova Scotia Teachers' Pension Plan

- Year's Maximum Pensionable Earnings (YMPE) 2021
- Pension Adjustment (PA) Calculations 2020
- Supplementary Employee Retirement Plan (SERP) 2021

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### **YMPE**

The Year's Maximum Pensionable Earnings under the Canada Pension Plan for the calendar year 2021 is \$61,600.

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 2021</u>	
1. Calculate contributions under the YMPE:	$\$61,600 \times .113$	= 6,960.80
2. Calculate contributions over the YMPE:	$\$90,087 - 61,600 = 24,487 \times .129$	= 3,674.82
3. Calculate total biweekly contributions:	$\$6,960.80 + 3,674.82$	= 10,635.62
Required annual employee contributions:	$\$10,635.62$	

### **PA CALCULATION**

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

2020 YMPE	\$ 58,700.00
2020 Maximum benefit accrual	\$ 3,092.22
Maximum PA 2020	\$ 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). Employers who participate in the SERP should cap employer contributions at \$874.21 bi-weekly (26 pays).

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