

COMPLETING T4S



The summary

Contributions made to Saskatchewan Pension Plan (SPP) by the employer are a taxable benefit to the employee and must be included in the amount recorded in box 14 and the corresponding contribution amount entered in Box 40 other taxable allowances and benefits. These contributions are not subject to tax at source.

Contributions are made by the employee as a payroll deduction are subject to tax unless the employee has supplied a CRA approved T1213 to their employer.

Contributions made to SPP are subject to CPP but are not subject to EI premiums.

It's important for payroll providers (like ADP or Ceridian) to know that for tax purposes SPP is treated like a Group RRSP and not an RPP.

The technical details

Registered retirement savings plans (RRSPs)

Contributions you make to an employee's RRSP and RRSP administration fees that you pay for your employee are considered to be a taxable benefit for the employee. However, this does not include an amount you withheld from the employee's remuneration and contributed for the employee.

<https://bit.ly/3NC3rcX>

CPP and EI

Do not deduct EI premiums from:

- employer contributions to an employee's group RRSP where access is restricted and does not permit employees to withdraw the amounts until they retire or cease to be employed or if the RRSP agreement allows the employee to withdraw an amount from the RRSP under the HBP or the LLP;

<https://bit.ly/3Hczm1e>

Amounts and benefits subject to CPP contributions

You generally deduct CPP contributions from the following amounts and benefits: most cash/non cash taxable benefits and allowances, including certain rent free and low rent housing, the value of board and lodging (other than an exempt allowance paid to an employee at a special work site or remote work location), interest free and low interest loans, employer contributions to an employee's registered retirement savings plan (RRSP), group term life insurance premiums, personal use of an automobile that you as the employer own or lease, holiday trips, subsidized meals, and certain gifts, prizes, and awards.

<https://bit.ly/39ig0v1>

CODE 40 – OTHER TAXABLE ALLOWANCES AND BENEFITS

If you provided an employee with taxable allowances or benefits that you did not include elsewhere on the T4 slip, enter code 40 and the corresponding amount.

Include this amount in box 14.

<https://bit.ly/3x9DoCE>



OFFICE CONTACT INFORMATION

608 Main St, PO Box 5555
Kindersley SK S0K 1S0

Phone: 1-800-667-7153
Email: info@saskpenion.com

Employer Plan Contributions

Employer (ER)

Employee (EE)

T4

Add contribution amount to the amount in Box 14, include contribution amount in Box 40.

Regular T4-
Contribution amount is EE money with held and remitted on behalf of EE. Amount already in Box 14.

TAX

EE and ER contributions are subject to tax unless the employer has confirmation from EE that contributions can be deduct for the tax year.

CPP

Both EE and ER contributions are subject to CPP.

EI Premiums

ER contributions are NOT subject to EI.

EE contributions are subject to EI.

For assistance in calculating your payroll deductions Canada Revenue Agency has provided a Payroll Deduction Online Calculator. Please see the link: <https://bit.ly/3xe7llm>

If you have further questions please contact our office at 1-800-667- 7153.



SaskPension.com

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If any discrepancy arises between the information contained in this newsletter and the Act, the Act will prevail.

SASKATCHEWAN PENSION PLAN

POST-REGISTRATION

Giving your employees the benefit of a more comfortable future.



How to remit contributions*

Employers can decide, with their employees, when contributions will be submitted to SPP. Regular contributions can be taken from payroll and submitted to SPP monthly, quarterly, or when it best suits the company. During the sign-up stage, employers are asked to select when they would like to remit.

When you are ready to send a payment to SPP, log into the Employer Remittance System (ERS). You can make your payment by cheque, by credit card, through your financial institution or by pre-authorizing payments from a bank account or credit card.

Within ERS you will choose and set up your payment method, indicate the amount to be paid for each employee and submit this remittance advice directly to SPP. If paying by cheque or online banking, proceed with issuing the payment to SPP. When SPP receives and processes your payment, you will receive notice that your remittance receipt is available in the Documents tab in ERS. Contact SPP for assistance with this step if required.

Initial refund period

For first time contributors who decide the Plan does not meet their retirement planning needs, there is a 60-day initial refund period. Members may receive a refund of their account if they change their mind within 60 days of their date of application or their first contribution, whichever is later.

*Annual contributions made must be within RRSP limits.

Changing account information

The details on your Employer Remittance Statement will reflect the information you provided. You may change the following information at any time using the tabs within ERS:

- Contact person, address or phone number.
- Add a new employee (include a signed application form and proof of age document).
- Remittance method and amount.

Transfers to SPP

Members may transfer into their SPP account from a Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF) or an unlocked Registered Pension Plan (RPP). Transfers in are subject to all Plan rules including the lock-in provision.** Since these are direct transfers there are no tax implications. The [form to initiate a transfer](#) to SPP is available by calling SPP or by downloading it from our website.

**Funds are locked in until age 55.



SASKATCHEWAN PENSION PLAN IS AN EASY, MEANINGFUL WAY TO SHOW EMPLOYEES YOU CARE

Happy employees are vital to the financial success of your business. A company pension plan not only rewards employees for their hard work, but is a long-term investment in their future well-being too. It's a benefit that lasts a lifetime!



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Employee issues

Marital Division

If an employee's account becomes part of a settlement in a division of property on the breakdown of a spousal relationship, it will be divided as specified in the Family Property Division Agreement of Separation Agreement and Inter-spousal Contract. The funds remain invested with SPP and the receiving spouse must become a member of the Plan for the division to be completed. The funds in both accounts remain locked-in until retirement. Both parties have the opportunity to add to their account if they wish.

Maintenance Orders

SPP account balances and pension payments are subject to attachment under The Enforcement of Maintenance Orders Act, 1997. SPP will act as specified in the Notice of Attachment. Call the SPP office for more information.

Choosing a beneficiary

Each employee who joins SPP is required to name a beneficiary for their account. In the event that an employee dies before beginning to receive retirement payments, the funds in the employee's account will be paid to the beneficiary. If the beneficiary's social insurance number (SIN) is not available, please send in the forms without it. Beneficiaries can be changed at any time and SINs can be added.

For all beneficiaries, including the spouse, death benefits received as cash become taxable income in the year received. The beneficiary or estate will receive a T4A to file with their income tax return. The T4A provides the beneficiary or estate with the total amount of the death benefit and the amount of tax paid to CRA on their behalf. The amount of withholding tax is determined by CRA using the schedule below.

Account Balance Tax Rate	
\$5,000 or less	10%
\$5,001 to \$15,000	20%
More than \$15,000	30%

For example, if the account balance is \$9,000 at death and the beneficiary chooses to take the payment in cash, the beneficiary will receive a cheque for \$7,200 and \$1,800 of withholding tax will be sent to CRA on the beneficiary's behalf. It is the employee's responsibility to ensure that beneficiary information is up-to-date and reflects their intentions. Changes in marital or family status or changes to the status of a minor may necessitate an update of beneficiary information. Should employees wish to change their beneficiary, a Designation of Beneficiary form is available from our website, saskpension.com, or by calling the SPP office.

Some factors to consider when choosing a beneficiary are:

- If naming more than one person as beneficiary, it is important to indicate what share of the account each beneficiary is to receive.
- When naming more than one person as beneficiary, the share of a deceased beneficiary will be paid to the survivor(s) unless otherwise indicated.
- When estate is named, the funds are paid to the estate, less withholding tax. It is then part of the money used to settle debts of the estate, and the balance is distributed according to the terms of the will.
- If you name a minor as a beneficiary, you should make any arrangements that are necessary (such as the appointment of a trustee) to ensure that the benefits are paid according to your intention. If a trustee is appointed, that trustee remains in place even when the beneficiary is of legal age. The trustee remains until the member updates their designation to remove them.

Death benefits

When an employee dies, it's important for their survivor(s) to contact SPP so that payment can be made to the beneficiary.

If an employee names their spouse as the beneficiary, Canada Revenue Agency allows death benefits to be transferred directly to the spouse's SPP account or to an RRSP, RRIF or guaranteed life annuity. Similarly, the death benefit can be rolled over to an RRSP or Registered Disability Savings Plan for a financially dependent infirm child or grandchild.

PRIVACY

SPP collects only the personal information necessary to administer our program. Our privacy policy stipulates that personal information can be disclosed only to the member. Exceptions may be made if there is written consent from the member. If you have questions about our privacy policy, please call the toll-free line: 1-800-667-7153.

RETIRING FROM SPP

Retirement from SPP can occur between the ages of 55 and 71. SPP sends retirement information to the employee on request. When an employee retires from SPP, all an employer needs to do is remove them from their employee list under Manage Employees.

DID YOU KNOW?

If your employees have questions on topics related to their SPP account, investments or anything financial, SPP has a financial planner available to find the information that will help them make an informed decision based on their unique circumstances and the options available.



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