

# *Employer* **Bulletin**

from the Pension Corporation

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**To:** College Pension Plan employers

**Date:** August 1, 2006

**Topic:** College Pension Plan reporting requirements for high-income earners

**Direction:** Your organization may be affected by the 2006 pension contribution maximum set by the Canada Revenue Agency under the federal *Income Tax Act* and its regulations [8503(4)].

For the 2006 tax year, the maximum deductible from income for tax purposes is **\$13,880**. Plan members are eligible to claim a deduction for pension plan contributions up to this amount, even if the amount actually paid to the pension plan under its rules is higher.

The pension plan rules require that members contribute based on all pensionable salary, and that the pension plan will provide a benefit based on all pensionable salary and service. This means that you are required to deduct, remit and report contributions on all pensionable salary, but you only report up to the maximum tax deductible contribution amount of \$13,880 on the member's 2006 T4 slip.

The maximum deductible contribution amount may change from year to year. Next year, and in subsequent years, we will inform you in late summer of the new maximum contribution amount. This information will be posted in the employer section of the College Pension Plan website at [college.pensionsbc.ca](http://college.pensionsbc.ca).

If you require clarification, please contact us at the numbers and addresses on the reverse.

*Over...*

## College Pension Plan

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## PENSION CORPORATION



This publication provides general information about the pension plan and is based on the relevant plan documents (statutes, regulations and rules). If there is a discrepancy between this publication and the plan documents, the plan documents will apply.