



UNIVERSITY
OF MANITOBA

Financial Services

Payroll Services
Rm. 403 Administration Bldg.
Winnipeg, Manitoba
Canada R3T 2N2

Memo

To: All Employees
From: Payroll Services
Date: December 15, 2011
Re: Upcoming changes to the Canada Pension Plan

Changes are being introduced to the Canadian Pension Plan (CPP) starting January 1, 2012.

These changes will affect you if you are:

- **At least 60 but less than 65 years of age and currently receive a CPP/QPP retirement pension**
- **At least 65 but less than 70 years of age and currently receive a CPP/QPP retirement pension**

These changes will **not** affect you if you are 70 years of age or older. CPP contributions were stopped on the final pay date in the month of your 70th birthday and will **not** restart in 2012.

Note: These changes only apply to the CPP contributions. There will be no changes to the administration of the Quebec Pension Plan (QPP) contributions for employees whose province of employment is Quebec.

OVERVIEW OF CHANGES

The upcoming changes and action required from you, the employee, are detailed below.

- **Employees who are at least 60 but less than 65 years of age and currently receive CPP/QPP retirement pension**

As per the legislation, CPP contributions were stopped on the last pay of the month before you began receiving a CPP/QPP retirement pension.

Effective your first pay in 2012, the Payroll Department must start deducting CPP contributions from your pensionable wages again. No action is required from you.

- **Employees who are at least 65 but less than 70 years of age and currently receive a CPP/QPP retirement pension**

As per the legislations, CPP contributions were stopped on the last pay of the month before you began receiving a CPP/QPP retirement pension.

Effective your first pay of 2012, the Payroll Department must start deducting CPP contributions from your pensionable wages again.

However, employees in this age bracket **may choose not to make** CPP contributions by completing the form, CPT30 – Election to stop Contributing to the Canada Pension Plan or Revocation of a Prior Election. You must file the CPT30 election form with the Payroll Department and the Canada Revenue Agency (CRA). No CPP contributions will be deducted on pay dates following the month the form is filed.

You may download the CPT30 form from the CRA's website:

<http://www.cra-arc.gc.ca/E/pbg/tf/cpt30/cpt30-11e.pdf>

If you choose to make CPP contributions starting January 2012, no action is required from you.

If you do **not** wish to make CPP contributions starting January 2012, you must file a CPT30 election form with the CRA and your Payroll Department in December, 2011. (Verify with Payroll as to the exact-off date. No forms can be dated prior to December, 2011.)

If you wish to restart CPP contributions in the future, a new CPT30 form must be filed to revoke a previous election to change your contribution status at that time. The CPT30 form can only be used once per calendar year. For example, if you file to CPT30 election form in 2012 to stop deductions, you may not file a CPT30 revocation again to restart deductions until 2013.

Note: If you are in this age bracket but **not** receiving CPP/QPP retirement pension, there is no change. The Payroll Department will continue to deduct CPP contributions from your earnings. You cannot opt out of CPP contributions unless you are at least 65 years of age and receiving CPP/QPP retirement pension.

MORE INFORMATION

Details on these changes and why they are being made can be found on the CRA's website at the following link:

<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/clcltng/cpp-rpc/cppchng-wh-eng.html>

Information on how to apply for CPP retirement pension and on how continued CPP contributions will affect you can be found on Service Canada's website at the following link:

<http://www.servicecanada.gc.ca/eng/sc/cpp/retirement/canadapension.shtml>