

Human Resources

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Memo

To: All Employees

From: Thyra Garcia
Manager, Payroll & Records, Dept of Human Resources

cc: Sue Bulof
Director, Payroll and HRIM, Dept of Human Resources

Date: 12/01/2011

Subject: 2012 Updates & Upcoming Changes to the Canada Pension Plan

Greeting to All

Please be advised of the following information for yearend 2011 and the new year 2012

1) Address Changes for T4 Issuance:

It is imperative that we have your current address, so that you do not experience delays in receiving your T4s for 2011.

2) Tax update:

The basic personal amount for your 2012 Personal Tax Return (TD1) is as follows:

- Federal – \$10,822
- Ontario – \$ 9,405

To complete a new TD1, go to the following links:

Federal

<http://www.cra-arc.gc.ca/E/pbg/tf/td1/td1-12e.pdf>

Ontario

<http://www.cra-arc.gc.ca/E/pbg/tf/td1on/td1on-12e.pdf>

3) Canada Pension Plan contributions and Employment Insurance premiums rates for 2012:

Effective January 01, 2012,

- The confirmed CPP maximum contribution is \$2,306.70
- The confirmed EI maximum premium is \$839.97

As a result, employees who usually reach the maximum for CPP and EI early in the year, will observe a lower net pay at the beginning of 2012, because of the CPP and EI deductions.

4) 2012 Payroll Schedule:

- The 2012 Payroll Schedule has been posted on our Payroll website effective December 01, 2011.



5) Upcoming Changes to the Canada Pension Plan:

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

These changes will affect you if you are:

- Aged 60 to 65 and currently receive a CPP retirement pension
- Aged 65 to 70 and currently receive a CPP retirement pension

These changes will **not** affect you if you are currently 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.

Overview of Changes

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

- Employees aged 60 to 65 who currently receive a CPP retirement pension**

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

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

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- Employees aged 65 to 70 who currently receive a CPP retirement pension**

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

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

However, because you are age 65 to 70 you **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 send the original CPT30 election form to the Canada Revenue Agency (CRA) and file a copy with us. No CPP contributions will be deducted on pay dates following the month the form is filed.

You can download the CPT30 form from the CRA's website:
www.cra-arc.gc.ca/E/pbg/tf/cpt30/cpt30-11e.pdf.

MORE INFORMATION

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

www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrl/clcltng/cpp-rpc/cppchng-wh-eng.html.

Information on how to apply for a CPP retirement pension, and on how continued CPP contributions will affect you, can be found on Service Canada's website at the following link:
www.servicecanada.gc.ca/eng/sc/cpp/retirement/canadapension.shtml.

Your cooperation is appreciated and we look forward to working with you in the new year.