

# QUESTIONS AND ANSWERS

## ELIGIBILITY AND ENROLLING EMPLOYEES

### **What is the definition of permanent employees?**

Please refer to page 6 of the Employer Guide located on MEPP's website.

### **How would an employer know if an employee is working for another employer?**

To find out if an employee is working for another employer you would have to ask the employee or you can contact MEPP directly. You may want to ask employees annually if they are contributing with another employer.

### **Does an employer have to contribute if an employee is working casual for another employer?**

Yes. If an employee is making contributions to the Plan, regardless of the employment situation, contributions must be made by all other employers.

### **What benefit would it be to enroll a non-permanent employee who is 61 years old and does not want to contribute?**

The benefit is to the employee as the employee will receive a pension or at the least a refund of contributions and interest. Also, all employees must be treated equally regardless of age; indeed it is illegal not to do so.

### **How is 700 hours in two consecutive calendar years calculated?**

If a non-permanent employee completes 700 actual hours worked with their employer in 2 consecutive calendar years (calendar year being January 1 to December 31<sup>st</sup>) they **must** be enrolled in the pension plan. For example: if a non-permanent employee was hired April 1, 2018 and opted not to join the pension plan but completed 700 actual hours worked by December 31, 2018 and then completed 700 actual hours worked the following year by October 14, 2019 then this employee must join the pension plan effective October 14, 2019.

### **Are clerical employees and school bus drivers on contract for the school year considered permanent employees?**

If the job is an ongoing job, the employee should be considered permanent even though there is an annual employment contract.

### **If an employee asks to join the plan, even if the employee is a non-permanent employee, does the employer have to let them join?**

Yes, the employee must be allowed to join the Plan.

### **Can any employee be designated as permanent and be required to start contributing immediately upon hiring?**

Yes.

### **If an employee is receiving a pension from another pension plan, can the employee contribute to MEPP?**

Yes. Only employees who are receiving a pension from MEPP are excluded from participating in the Plan.

**If school employees are paid for a couple of days in August, would they still be designated as 10 month employees?**

Yes. School employees who work more than 10 months but less than 12 months are designated as 10 month employees.

**How do you determine if a person with a contract is a contractor or an employee?**

If income tax is deducted and CPP and EI premiums are paid for the person, the person should be considered an employee and the person should be enrolled in the Plan.

**If a non-permanent employee previously opted not to join the Plan and subsequently becomes a plan member and wants to purchase the previous service, is the employer responsible for any of the cost?**

If an employee who previously opted out of the Plan wants to purchase that service, the employer will not be responsible for any of the cost.

## **CLASSIFYING EMPLOYEES**

**How would an employee be classified if the employee missed 4 weeks of work per year?**

If an employee works less than 12 full months during the year on a regular basis, the employee should be designated as a casual employee.

If the employee normally works 12 full months but misses 4 weeks in one year, the employee should be designated as a full time 12 month employee with a leave or layoff form submitted for the 4 weeks.

**Can a dispatcher in the police office be designated as an emergency member?**

A dispatcher cannot be designated as an emergency member unless the dispatcher is also a police officer or firefighter.

**If an employer income averages hours for employees and pays the same amount every month, should they be considered salaried employees? What if adjustments are made?**

If an employer income averages hours for employees and pays the same amount every month, the employees should be considered salaried employees and actual hours paid should be reported accordingly.

If adjustments are made, the employees' salary and actual hours paid must be adjusted for the appropriate months.

## **ACTUAL HOURS PAID**

**Can a person accrue more than 100% of full time as hours paid if the member works for more than one employer?**

An employee cannot accrue more than 1 year of pensionable service in a calendar year.

**Can employees who are subject to section 7 of the Labour Standards Act accrue service faster or receive more than 1 year each year?**

An employee cannot accrue more than 1 year of pensionable service in a calendar year.

**How will pensionable (contributory) service be calculated?**

According to the Municipal Employees' Pension Act an employee will receive full credited service for a year if they work 30 or more hours a week which equates to 1,560 hours per year. This means that an employee is capped at 1,560 hours per year even if they work more than that in a year because they cannot receive more than one year of pensionable service for any given year. This pertains to full time, casual and seasonal employees. If an employee works less than a full year the pensionable service for the year will be calculated by dividing the actual hours paid by the potential hours. For example, if the employee's potential hours for the year are 1,560 hours and the hours paid are 1,500 hours, pensionable service for the year would be 96.15% of the year (1,500 hours/1,560 hours).

Please note that once a 10 month employee obtains 1300 hours per year they will receive one full year of pensionable service.

Pensionable service will also include any purchased service, service for which contributions are made for a period of leave, actuarial reserve service, granted service, disability waiver service and service for reciprocal transfers in.

**How will eligibility (continuous) service be calculated?**

A full period of eligibility service will be credited to a member if a contribution is received for the period. For example, if an employee works during 18 of 26 bi-weekly pay periods, eligibility service for the year would be 69.23% of the year (18 pay periods/26 pay periods).

Eligibility service will also be credited if a member purchases service for which he/she has not already received eligibility service, makes contributions for a period of leave, is approved for a disability waiver and if a member transfers in service under a reciprocal transfer or a portability agreement.

**BENEFICIARIES**

**Why does the spouse have the ability to revoke a spousal waiver of pre-retirement benefits without the member having to give consent?**

Under the Pension Benefits Act 1992, Saskatchewan, the spouse has the right to receive the pension benefit if the member dies. The spouse can voluntarily give up this right by signing a spousal waiver. The spouse therefore has the right to revoke the waiver.

**If a beneficiary form is received with a co-beneficiary listed, will MEPP follow up if the spousal waiver is not received?**

MEPP will not follow up if a spousal waiver is not received.

**Will the member be notified if a spousal waiver is being revoked?**

A member will be notified, in writing, if a spousal waiver is being revoked.

**Does a common-law spouse have to sign a spousal waiver?**

A common-law spouse will have to sign a spousal waiver to waive his/her entitlement to the pension.

**If an employee works for more than one employer, do they need two beneficiary forms?**

As long as MEPP has a beneficiary designation form that reflects the wishes of the member, a second form does not have to be completed. An employer can confirm with MEPP that there is a beneficiary form on file for an employee.

**Can an employee have more than one alternate beneficiary?**

Yes. If an employee does list more than one alternate beneficiary, the employee must clearly identify the order of the alternate beneficiaries. For example, if an employee wants to name his/her father, as an alternate, if living followed by 100% to his/her brothers and sisters, this must be clearly indicated on the designation of beneficiary form.

**How is proof of a common-law relationship proved, both while an active member or in the event of death?**

A member can name his/her common-law spouse with no evidence required. If a member dies, an affidavit confirming the common-law relationship must be completed by the common-law spouse. Also, the common-law spouse must provide the names of two individuals who will confirm that there was a common-law relationship.

**At what point does a common-law relationship end?**

A common-law relationship ceases upon separation of at least 90 days due to a breakdown in a relationship.

**If a death benefit is paid to the estate, does it have to go through probate?**

Whether or not a death benefit paid to the estate has to go through probate depends upon the deceased member's will and the instructions in the will.

**LAY-OFF LEAVE OF ABSENCE**

**Do lay-off/Leave of Absence forms have to be submitted for casual employees?**

No, a layoff/leave of absence form does not have to be submitted for casual employees.

## **CONTRIBUTIONS FOR A PERIOD OF LEAVE**

### **To make contributions for a period of leave does the employee have to return to the same employer?**

If an employee terminates while on a leave the termination date would be the last day worked; therefore the service could not be purchased and contributions could not be made for the period of leave. The one exception would be if the employer amalgamated with another employer while the member was on leave.

### **Do I have to make contributions for the whole leave when I return or can I pay for only part of it?**

Contributions must be made for the whole leave and contributions for a leave of absence must begin within 90 days of the employee's return to work.

### **Is it mandatory or optional to contribute for a leave?**

It is optional for an employee to contribute for a period of leave.

## **REMITTANCES**

### **If I pay bi-weekly do I have to process a contribution file in PLANet for each pay period?**

If you pay your employees bi-weekly, a contribution file must be processed for each pay period.

### **If I pay bi-weekly, do I have to remit payment to MEPP bi-weekly?**

Remitting payment bi-weekly is acceptable and appreciated. However, remittance payments can be submitted monthly, within 15 days of the end of the month. A monthly remittance must include all pay periods completed during the previous month.

### **How do I remit retroactive pay for previous years?**

You must break it down by year submitting the total amount in the last pay period of the year in which the retro pertains to if you are doing as lump sum. You can also break it down by pay period if you wish. This must be done through PLANet. For information on how to do this please refer to the PLANet User Guide located on MEPP's website.

### **If an employer has both salaried and hourly paid employees, do they have to be remitted on different contribution files in PLANet?**

Salaried and hourly paid employees can be processed on the same contribution file in PLANet if the pay schedule, pay period begin date and pay period end date are the same for both types of employees.

### **If an employer has both bi-weekly and monthly paid employees, are 2 contribution files in PLANet required?**

Bi-weekly and monthly paid employees will have a different pay schedule, pay period begin date and pay period end date. This means that 2 contribution files need to be processed in PLANet.

**Why have bonuses been removed?**

Bonuses are not considered to be regular remuneration.

**Can 10 month and 12 month employees be reported on the same contribution file in PLANet?**

12 month and 10 month employees can be processed on the same contribution file in PLANet if the pay schedule, pay period begin date and pay period end date are the same for both types of employees.

**If a member terminates and is paid vacation pay monthly, as regular salary, until the vacation days are paid out, is this pensionable?**

Yes. The member's termination date would be the last day for which vacation pay was paid.

**PURCHASE OF SERVICE**

**Can a purchase of service be made through payroll deduction?**

A purchase of service can only be made through a lump sum payment of non-registered funds or an RRSP. It cannot be made through payroll deduction.

**DISABILITY**

**If a member makes contributions while on disability, on what salary is the contribution made?**

Contributions must be made based on the member's pre-disability salary.