

This fact sheet describes four adjustments that we must report to Canada Revenue Agency that can affect your RRSP contribution room.

What are pension adjustments?

As a Teachers' Pension Plan member you can contribute to a Registered Retirement Savings Plan (RRSP). However, since you are already contributing to a pension plan, which is a tax-deferred retirement benefit, the amount you can contribute to an RRSP will be limited by the value of the pension benefit you earned in the previous year.

Your pension plan uses pension adjustments to report the value of your pension benefit, and any recalculation that needs to be made to that value, to Canada Revenue Agency (CRA). CRA uses this information to determine how much you can contribute to an RRSP each year.

How do pension adjustments affect me?

Pension adjustments and past service pension adjustments reduce RRSP contribution room by the estimated value of the pension earned by a member.

What are the types of pension adjustments?

The following are summary explanations of pension adjustments. For full explanations, visit CRA's website at www.cra-arc.gc.ca or call them at the numbers listed in the blue pages of your local phone book.

Pension Adjustment (PA)

A pension adjustment (PA) represents the value of the pension benefits you earned in the previous year from your pension plan. CRA uses the PA to calculate your RRSP contribution room, then reports this information to you on a *Notice of Assessment*. You may make an RRSP contribution up to this amount or carry it forward to use in a future year.

Amended Pension Adjustment (APA)

An amended pension adjustment (APA) is a PA that we've had to recalculate because we received new information about your account. For example, an APA may be issued if you purchase a leave of absence for the PA year and pay for the service by April 30 of the following calendar year.

Past Service Pension Adjustment (PSPA)

A past service pension adjustment (PSPA) corrects the difference between the sum of pension adjustments reported to CRA, and the sum of pension adjustments that include any increased benefits, for example, if you purchase any post-1989 service, or if there is a retroactive change to the way your benefits are determined.

The PSPA will affect future RRSP contribution room until CRA notifies you otherwise.

Pension Adjustment Reversal (PAR)

A pension adjustment reversal (PAR) restores RRSP contribution room to members who leave their employer and transfer their pension benefits out of the pension plan.

What if I have questions about how pension adjustments affect my taxes?

If you have questions about your personal tax situation you must deal directly with CRA; the Teachers' Pension Plan cannot provide tax advice.

How to reach us

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In this fact sheet, "we" and "us" means the Teachers' Pension Plan, and "you" means the plan member.

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.