



PENSION ADMINISTRATION ***BULLETIN***

Reference No. 2007- 04

Date: March 27, 2007

**TO: All Pension Administration Contact Persons at
Contributing Member Organizations**

RE: NSAHO Pension Plan – April 1, 2007 Increase In Employer Contribution Rates

As per our March 8, 2007 Pension Administration Bulletin – Reference No. 2007-02, **Employer** contribution rates are increasing effective April 1, 2007. Therefore, the 2007 year will be a transition year with two sets of Employer contribution rates in effect. The impact of the Employer contribution rate change on the administration of your plan is covered in the remainder of this memo.

As a reminder, the 2007 rates are shown in the table below:

Pensionable Earnings	EmployEE Contribution Rates	EmployER Contribution Rates	
		Before April 1, 2007	After March 31, 2007
Up to \$43,700 (i.e. YMPE)	5.95%	5.95% (6.55% if EmployerER participated in 94-98 ERIP*)	7.24% (7.84% if EmployerER participated in 94-98 ERIP*)
Above \$43,700 (i.e. YMPE)	7.95%	7.95% (8.55% if EmployerER participated in 94-98 ERIP*)	9.24% (9.84% if EmployerER participated in 94-98 ERIP*)
*ERIP – Early Retirement Incentive Plan that was in place from 1994 to 1998			

The Impact on the 2007 Yearly Maximums:

With the change in the contribution rates part-way through the year, it is necessary to blend the maximum **Employer** contributions that Employers pay for high earners based on the two levels of rates. Therefore, the **maximum Employer** contributions for 2007 will be:

- \$10,203.41 for Employers who will be paying 7.24% of earnings up to the YMPE and 9.24% on earnings over the YMPE on April 1, 2007; or
- \$10,948.73 for ERIP Employers who will be paying 7.84% of earnings up to the YMPE and 9.84% on earnings over the YMPE on April 1, 2007.

Please refer to our November 28, 2006 Pension Administration Bulletin – Reference No. 2006-09 for all other 2007 Plan Maximums.

As the Employee contribution rates are not changing in 2007, the maximum outlined in the 2006-09 Bulletin is applicable to Employee contributions for all of 2007.

Your Implementation of the New Rates:

The rate change date is April 1, 2007. For ease of administration, the new contribution rates should be applied to your ***first pay period beginning on or after April 1st.***

Special Reporting Requirements:

In order to reconcile the employer contributions due for the 2007 payroll year, we will require a breakdown of pensionable earnings, for each individual member, earned before and after the effective date of the employer rate change. Therefore, each facility will need to retain a year-to-date record for each plan member that shows the total pensionable earnings up to the end of the pay period prior to the April, 2007 rate change date.

Employers will be required to report this breakdown to the NSAHO PP at year end time when the annual data is collected for the 2007 Plan year.

Remittance Forms:

New remittance forms will be available on our website on April 1st or you can contact us and we will forward a paper supply to you.

If you have any questions, please contact us at 832-8500 or, if calling long distance, at 1-866-400-4400 (Toll-Free).