PENSION ADMINISTRATION
BULLETIN

Reference No. 2012-11 **Date:** December 10, 2012

To: All Pension Administration Contact Persons at Contributing Member Organizations

RE: 2012 Year-End Data Collection Process & Time Line

Time Sensitive Action Required

Once again, another year is coming to a close and the year-end reporting season begins. In this regard, we are pleased to enclose details of the 2012 year-end reporting process to the Nova Scotia Health Employees' Pension Plan (NSHEPP). ***Please note that the deadline for the submission of your 2012 year-end data is March 31, 2013.*** This provides you with a three (3) month window to prepare the 2012 Contribution Report and complete the data validation and approval processes on the Data Processor.

This reporting time line is critical to ensure all members receive their annual pension statements as required by Nova Scotia pension law. The Nova Scotia Pension Benefits Act requires that pension statements be provided to plan members within 6 months of the end of the Plan year – **the deadline for the Nova Scotia Health Employees' Pension Plan is June 30th of each year**.

The enclosed CD includes updated material provided during the Pension 101 training sessions held in November 2012. Please refer to the attached Appendices for additional information.

- Appendix A – Table of Contents for 2012 Year-End CD
- Appendix B – Summary of 2012 Year-end Pension Reports
- Appendix C – Summary of 2012 Data Collection Process
- **Appendix D – Highlights of Changes**
- Appendix E – Important Reminders
- Appendix F – Usernames & Passwords
- Appendix G – Year-End Reporting Time Line

The ***2012 Contribution Report*** for your facility will be forwarded to you by December 15, 2012 **via the Secure Communications Website**, along with the following reports, if applicable:

- *2012 Multi-ER Report* (Due Date: Jan 6/13 – **late reports will not be accepted**.)
- *2012 NSAHO LTD Report* (Due Date: Feb 1/13)
- *2012 3rd Party LTD Report* (Due Date: Feb 1/13)
- *2012 Address Update Report* (Due Date: May 1/13)

To download these files refer to the *Secure Communications Website – User's Guide* provided on the enclosed CD under the Administration Resource Centre.

If you have any questions on the 2012 year-end reporting process, please contact us.

We, at the Nova Scotia Health Employees' Pension Plan, would like to extend best wishes to you and your family for a happy holiday and a prosperous new year.

Nova Scotia Health Employees' Pension Plan

APPENDIX A
Table of Contents for 2012 Year-End CD

FOLDERS:

APPENDIX B
Summary of 2012 Year-end Pension Reports

I. *2012 Contribution Report*

DUE: March 31/13

Use to import pension data to the Data Processor.

II. *2012 Multi-ER Report*

DUE: Jan 6/13 (*Reports received after 8am on Jan 7/13 will not be accepted*.)

Will only be forwarded if there are members at your facility who we expect will also have pension data reported through another Employer. The ***Multi-ER Report*** was developed to reduce the T4 amendments required for members employed at more than one participating Employer. All Employers are required to provide the completed *Multi-ER Report* to NSHEPP by **January 6, 2013.** NSHEPP staff will identify those who require adjustments to their reported pension data by February 1, 2013 so Employers can report T4 information accurately on the original T4.

III. *2012 NSAHO LTD Report*

DUE: Feb 1/13

Will only be forwarded if you had members who were eligible to receive LTD benefits in 2012 through Health Association NS.

IV. *2012 3rd Party LTD Report*

DUE: Feb 1/13

Will only be forwarded if your LTD carrier is confirmed as one other than Health Association NS.

V. *2012 Address Update Report*

DUE: May 1/13

Optional: Use only if statements are to be mailed directly to members.

The ***2012 Contribution Report*** is the key component to the year-end reporting process. For a detailed explanation on what is required in each column, please refer to the reference guide provided for the *2012 Contribution Report – Guide.* (See the CD folder titled *Year-end Reporting Guides*.)

As per the *2012 Year-end Time Line*, the 2012 "validated" data must be forwarded to NSHEPP via the Data Processor by **March 31, 2013**. Please refer to the updated version of the reference guide to the *Data Processor – Quick Reference Guide.* (See the CD folder titled *Year-end Reporting Guides*.)

The following is a summary of the steps required to complete this process by March 31, 2013 (see also Appendix C for further details):

- Report all pension related data on the *2012 Contribution Report;*
- Import the completed *2012 Contribution Report* to the Year-end Data Processor;
- Resolve all Import Errors identified by the Data Processor;
- Validate or fix all Data Errors and Warnings identified by the Data Processor;
- Approve the data on the Data Processor.

APPENDIX C
Summary of 2012 Data Collection Process

The 2012 Data Collection Process will work as follows:

STEP 1: If you received a *2012 Multi-ER Report*, provide the year-end data requested for the members identified on the report, and return to NSHEPP via the Secure Communications Website by **January 6, 2013**. For more details, refer to the reference guide provided - *Multi-ER Report - Guide*. Reports received after **8am on Jan 7, 2013** will not be accepted.

STEP 2: If you received a *2012 NSAHO LTD Report*, provide the year-end data requested for the members identified on the report and return to NSHEPP via the Secure Communications Website by **February 1, 2013**. For more details, refer to the reference guide provided – *NSAHO TD Report - Guide.*

STEP 3: If you participate in an ER-sponsored LTD plan other than Health Association NS, identify any members who were eligible to receive LTD benefits during the 2012 payroll year. Provide the data requested for these members on the *3rd Party LTD Report* and return this report to NSHAPP via the Secure Communications Website, no later than **Feb 1, 2013.** The *Deemed Pensionable LTD Hours* and *Earnings* calculated by this report must be included when you are calculating the member's 2012 Pension Adjustment (PA). For more details, refer to the reference guide provided – *3rd Party LTD Report - Guide.*

STEP 4: Complete the *2012 Contribution Report.* For more details on each column, refer to the reference guide provided – *2012 Contribution Report – Guide.*
If you are unsure of any of our requirements, please contact Cheryl Mallett-Skelton (902-832-8500, ext. 246) for further clarification.

STEP 5: Once you have completed the *2012 Contribution Report*, import it directly to the Year-end Data Processor. For assistance, refer to the reference guide provided - *Data Processor – Quick Reference Guide*. The Data Processor will not accept anything other than this Excel file. To ensure all data has been imported from the *Contribution Report*, resolve all import errors identified on the Import Report.

STEP 6: Proceed to resolve/validate all preliminary data errors/warnings identified by the Data Processor. Once complete you will need to Approve your data which will release the data to NSHEPP where more refined tests will be run and additional questions may be necessary. **To meet required deadlines, plan staff requires your 2012 pension data to be imported, validated and approved on the *Year-End Data Processor*, no later than March 31, 2013.**

<u>APPENDIX C (cont.)</u>
<u>Summary of 2012 Data Collection Process</u>

STEP 7: If you elect to have the pension statements mailed directly to the members' home address, indicate this on the home page of the Data Processor. Then, by **May 1, 2013** complete the *Address Update Report* and send to NSHEPP via the Secure Communications Website. For further details, refer to the *Address Update Report - Guide.*

STEP 8: **<u>Your cooperation is required in resolving any follow-up data questions before June 1, 2013</u>,** so that Plan staff can process the data and provide the annual member statements within the time frames required under pension law. The Nova Scotia Pension Benefits Act requires that pension statements be provided to plan members within 6 months of the end of the Plan year – the deadline for NSHEPP is June 30th of each year.

STEP 9: Upon completion of your 2012 annual pension statements, we will provide you with a letter and enclose an Employer Summary Report. The Employer Summary Report will be for your reference and will summarize each employee's pension statement information.

STEP 10: If changes were required to the original pension data, to determine other recalculation or reporting requirements please refer to the guide provided on the year-end CD – see *Data Adjustments* - *Guide* in the folder titled *Year End Reporting Guides*.

We have received positive comments from users of the Data Processor and have implemented further improvements based on your feedback. We continue to welcome your comments and request that you email Cheryl Mallett-Skelton with any suggestions for improvement (cskelton@nsaho.ns.ca).

APPENDIX D
Highlights of Changes

As per Memos 2011-08 and 2012-03, due to the contribution rate increase in April 2012 there are additional reporting requirements on the *2012 Contribution Report* and Data Processor that include reporting a breakdown of Pensionable Hours and Pensionable Earnings earned in each of Period #1 and Period #2 of 2012. For clarification, these two periods in 2012 will be identified as follows:

PERIOD 1 – pensionable service earned before the April/12 NSHEPP contribution rate change.
PERIOD 2 – pensionable service earned after the April/12 NSHEPP contribution rate change.

New Data Fields on *2012 Contribution Report* & Data Processor

Sample of Pensionable Hours Columns:

Total Pensionable Hours	**Pension Hours - Period #1**	**Pension Hours - Period #2**
1600	400	1200
A = B + C	B	C

Sample of Pensionable Earnings Columns:

TOTAL Current Yr Pen Earnings incl LSP and ALL Retro	**Current Yr Pen Earnings - Period #1 *excl LSP and retro to prior yrs**	**Current Yr Pen Earnings - Period #2 *excl LSP and retro to prior yrs**	**Pension Lump Sum - Period #1 *excl retro**	**Pension Lump Sum - Period #2 *excl retro**	**Retro Earn's to 2011, if appl.**	**Retro Earn's to 2010, if appl.**	**Retro Earn's to 2009, if appl.**	**Retro Earn's to 2008, if appl.**	**Retro Earn's to 2007, if appl.**	**Retro Earn's to 2006, if appl.**
$45,100	$10,000	$30,000	$0	$0	$1100	$1000	$900	$800	$700	$600
A = Sum of B to K	B	C	D	E	F	G	H	I	J	K

The Data Processor will calculate the Total EmployEE required contributions due and provide the breakdown of expected contributions on each retro earnings entry being reported to a prior year (F to K) along with the required contributions due for each of Period #1 (B & D) and Period #2 (C & E) of 2012.

HOURLY RATE @ PAYROLL START DATE

At the request of some employers, the field titled *Hourly Rate @ Payroll Start Date* will be pre-filled for each member on the Contribution Report and the Data Processor. This rate will reflect the hourly rate that was reported during the 2011 year-end in the field titled *Hourly Rate @ Payroll End Date*. If the member has received an increase that is retroactive prior to the 2012 Payroll Start Date, please ensure you override this pre-filled rate to reflect the new rate in effect as at the 2012 Payroll Start Date.

APPENDIX E
IMPORTANT REMINDERS

Formatting of Dates:
Within the Contribution Report and throughout the Data Processor, all dates should be entered as DD/MM/YYYY.

Formatting of SIN#:
When adding members to the Contribution Report enter only the 9 digits of the SIN#; no hyphens or spaces. (The hyphens will be generated by default.)

Payroll Start and Stop Dates:
When running data tests, the Data Processor recognizes the *Payroll Start* and *End Dates* reported on the Data Processor Home page. Therefore it is critical to report these two payroll dates accurately when you first log in to the Data Processor.

Leaves of Absence (LOA):

- **LOA Start** and **End Dates** must be reported in the applicable fields for **ALL** Employer-approved unpaid LOA's, including periods when **members were eligible to receive LTD** benefits through an Employer-Sponsored LTD carrier.

- When reporting **LOA Start** and **End Dates** report the actual LOA dates ***(not Jan 1 – Dec 31)***. The Data Processor will recognize the 2012 LOA period(s) as the portion of the LOA period(s) within the 2012 *Payroll Start* and *End Dates* as entered on the Home page.

- If the member **did not pay** contributions on LOA Deemed Pensionable Earnings **during** their 2012 LOA period report the LOA dates under ***LOAx PCont's WAIVED Start Date & End Date***.

- If the member **continued to pay** contributions on LOA Deemed Pensionable Earnings during their 2012 LOA period, report the LOA dates under ***LOAx PCont's REMITTED Start Date & End Date***.

- If the member was required to pay both the EmployEE and EmployER share of contributions during their 2012 LOA period, report the portion of required ***EmployER Contributions paid by the EmployEE*** in the column designated on the *Contribution Report.*

Addresses:
When completing the *Address Update Report*, only include addresses for employees who are currently Active members of NSHEPP through your facility.

Contribution Remittance Adjustments (2012):
Any "under" contributions or "over" contributions identified by the Data Processor that are not validated on the Data Processor (i.e. *Earnings Data from Multiple Employers*), must be rectified by the Employer. These "over" contributions identified are to be refunded to the Employee by the Employer and any "under" contributions identified are to be collected from the Employee by the Employer and remitted to NSHEPP when identified. Report any EmployEE and EmployER contribution adjustments separately on your next remittance as a ***2012 Adjustment***.

APPENDIX E (cont.)
IMPORTANT REMINDERS

Reconciliations:

When all 2012 year-end data questions are resolved and the data is finalized, we will prepare an annual reconciliation. Based on the pensionable earnings from the *Contribution Report* (with any subsequent adjustments), we will determine the final required EmployEE and EmployER contributions and compare these contributions to the total of the monthly amounts of regular 2012 contributions you remitted to RBC. Any remaining "under" contributions or "over" contributions (by either employees or employers) will be determined. We will then provide a letter and reconciliation report for your review. Employers are required to make any adjustments (either the payment of additional contributions or a credit for an overpayment) on the next RBC remittance, being sure to identify such adjustments separately as 2012 year-end adjustments.

To avoid T4 Amendments:

We are forwarding the year-end package as early as possible to allow you sufficient time to use the Data Processor to identify and resolve data errors prior to printing your 2012 T4 slips. This will reduce the potential for required T4 amendments due to revised Pension Adjustments (PA) and contributions. **As per the *T4 Reporting Guide*, PA calculations are tied to pensionable earnings, pensionable hours and FTE, therefore, any changes to pensionable earnings, pensionable hours or FTE will require a recalculation of the PA.**

<u>APPENDIX F</u>
<u>USERNAMES & PASSWORDS</u>

Three (3) sets of usernames and passwords have been assigned:

1. To <u>download</u> files from the **Secure Communications Website**
   (Hint: username = abbreviation of your facility name);

2. To <u>upload</u> files to the **Secure Communications Website**
   (Hint: username = ***upload***); and

3. To log in to the **Year-end Data Processor**
   (Hint: username starts with ***Fac).***

Usernames and passwords previously assigned continue to be active. If it is necessary to change a password due to a staff change or other security reason, please contact Cheryl Mallett-Skelton at 832-8500 ext. 246.

APPENDIX G

PENSION ADMINISTRATION *YEAR-END REPORTING*

2012 YEAR-END TIMELINE

Nov/12 - Data Processor **(DP)** open for preliminary data validation testing.

Nov 30/12 – DP closed & cleared. Reasons entered will not be retained. Print Validation Report to refer to during official year-end reporting process.

NOV/12 – Forward outstanding forms & notices to NSHEPP **before Dec 1/12**.

DEC 15/12 - Data Processor re-opens for official year-end reporting process.

DEC 15/12 – Delivery of 2012 Year-end packages to facilities. **All year-end reports will be forwarded via the Secure Communications website. (LTD, Multi-ER, Contribution Report)**

JAN 6/13 – Deadline for facilities to complete pension data for employees identified on the ***Multi-ER Report*** and return to NSHEPP via Secure Communications Website. Late reports will not be accepted.

FEB 1/13 – Facilities to download the ***Final Multi-ER Report*** from the Secure Website;
- process the required data adjustments;
- report contribution adjustments on your next remittance form as ***Adjustments – 2012***;
- report the revised pension data on the *2012 Contribution Report* and Data Processor;
- update the member's 2012 T4, if applicable.

FEB1/13 – Deadline for facilities to complete ***NSAHO LTD Report*** AND/OR ***3rd Party LTD Report*** and return to NSHEPP via Secure Communications Site.

JAN to FEB/13 – Complete ***Contribution Report*** and import to the Data Processor;
- resolve all Import Errors;
- "Run validations" to identify potential data errors;
- fix data or validate data warnings with a reason;
- to avoid T4 amendments, complete validation process & adjustments before printing 2012 T4's.

MARCH 31/13 – ***DATA PROCESSOR APPROVAL DAY*** – Deadline for facilities to have validated or fixed all data errors identified by the Data Processor.
Deadline for facilities to complete the "APPROVE" step on the Data Processor.

MAY 1/13 – Deadline for facilities to forward the completed ***Address Update Report*** via Secure Communications Web Site, if applicable.

JUNE 1/13 – **DEADLINE FOR FACILITIES TO RESOLVE ALL FOLLOW-UP DATA QUESTIONS.**