

# Employee Additional Contributions

Before completing this form, please read the back page for more information.

Please print clearly in INK

## 1. Member Information

Last name	First name	Middle initial	Member ID number
Member's date of birth (yyyy/mm/dd)	Employee ID number (found on your pay advice)	Telephone number (daytime)	

## 2a. Authorization to Start or Change Deductions

I hereby authorize deductions of Voluntary Additional Contributions from my payroll earnings in the amount of \$ \_\_\_\_\_ per pay period, effective \_\_\_\_\_  
*Date*

## 2b. Authorization to Cancel Deductions

I hereby authorize the cancellation of my Voluntary Additional Contributions, effective \_\_\_\_\_  
*Date*

## 3. Signature

I understand that additional contributions may be made to the maximum allowed under the *Income Tax Act*.

Member's signature	Date
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<b>For Office Use Only</b>	
Coded effective pay period: _____	Coded by: _____
Pension plan name: _____	

# EMPLOYEE ADDITIONAL CONTRIBUTIONS

*The Winnipeg Civic Employees' Pension Plan* allows contributing members to make voluntary Employee Additional Contributions. The employer does not match these contributions and they do not provide the member with any additional credited service.

## How do Employee Additional Contributions work?

Voluntary Employee Additional Contributions are an alternative to making contributions to a Registered Retirement Savings Plan (RRSP). **If you are making your maximum contributions to your RRSP, you cannot make Employee Additional Contributions.**

Employee Additional Contributions do not in any way increase your regular defined pension benefit, but are like a separate investment account. At retirement you may convert the accumulated value of your Employee Additional Contributions into an annuity from the Plan and have the annuity paid in addition to your regular pension, transfer the accumulated value to your RRSP, or receive the monies as a taxable lump sum.

Employee Additional Contributions are deducted biweekly from your pay up to the maximum Canada Revenue Agency (CRA) allows. Lump sum contributions are not permitted. You may increase, decrease or stop your payroll deduction at anytime.

## Employee Additional Contributions or RRSP?

Although some contributing members make Employee Additional Contributions, there are a number of reasons why making RRSP contributions may be a better alternative.

### Flexibility

RRSPs offer greater flexibility because RRSPs allow you to access the money you have at any time. Employee Additional Contributions can only be refunded to you on a one-time basis while an employee or otherwise at retirement, termination of employment, or death. If you

elect to make the one-time withdrawal while an employee, you will not be allowed to contribute under the Employee Additional Contributions provision again.

### Income Splitting

Employee Additional Contributions do not give you the opportunity to do income splitting for income tax purposes like a spousal RRSP. Income splitting with spousal RRSPs can be beneficial if one spouse has a higher income than the other spouse.

### Investment Choices

With an RRSP you can decide how your money is invested and you can change your asset mix over the years as your investment requirements change. With Employee Additional Contributions you have no say in how your money is invested.

Employee Additional Contributions are invested within the bond portfolio of your Pension Plan. The rate of return for each calendar year is based on the market rate of return of the bond portfolio for the year, net of 0.5% to cover administration costs, and can be positive or negative. For members who withdraw during the year, the rate of return used will include the net market rate of return earned for the part year.

## How do I apply?

If you would like to make Employee Additional Contributions, please complete the application on the reverse and return it to the *The Winnipeg Civic Employees' Benefits Program*.

It is your responsibility to determine the maximum amount allowed as a deduction under the *Income Tax Act* (Canada). The maximum is shown on your Notice of Assessment when you file your Income Tax return.

When the maximum is reached, your Employee Additional Contributions must cease. Should you wish to recommence making Employee Additional Contributions in the following year, you must reapply to activate the deduction.