



Alliance Retiral Fund Pension Plan (ARF)

PART-TIME EMPLOYEES and ARF

This letter is designed to provide clarity for the eligibility of **Permanent Part-Time** Employees to join the ARF Pension Plan. The employee may be working as a pastor, administrative worker, custodians, etc.

There is a **Minimum Requirement** for joining, **AND** the ability to **Waive it**. Many employers have asked if their Part-Time employees can join the plan without having to meet the Minimum Requirement first. **The answer is YES!**

Note: This is a clarification, not an enhancement or a change in policy.

The first thing to note clearly is the requirement for Full-Time employees **Full-Time Permanent Employees** who work **30 hours** per week or more, their participation in the plan is **mandatory** from the first day of employment.

******Part-Time Employees always have the option to join the plan or not.** It is not mandatory.

The Employer must be aware of the **Minimum Requirement**. Both the Employee and Employer should be familiar with, and keep track of this, during any Part-Time worker's employment. If the Employee meets the requirements and wishes to join, they can.

The Minimum Requirement:

The details of the **Minimum Requirement** are **explained below** which basically requires 2 years of service and meeting the The Years Maximum Pensionable Earnings (YMPE) – some Provinces are more specific. This Standard Requirement is governed by pension legislation. It is not an ARF or C&MA rule. **The standard is there to allow any Part-Time employees who wish to join the opportunity to build towards retirement.**

If this standard is met by the employee, they may choose to join the plan. The employer is then required to participate with their matching portion (the same formula as for full-time employees with the contribution requirement of a matching 5%.)

Waiving the Minimum Requirement:

The Employer can choose at **any time** to Waive that Standard and allow their Part-Time employees to join sooner. It is the **Employer's choice** first, not the Employee's. The Employer will be responsible for their matching contributions. Therefore, the **Employer** must **budget** for that. The Part-Time employee still always has the choice to join or not join. The Employer should make a policy on this so that it fair to all Part-Time employees.

Nov 1, 2018

Part-Time Employees – Minimum Requirement:

Part-time employees are eligible for participation in the ARF based on both: (a) years of service, and (b) earnings. Part-time employees must satisfy **both** criteria to be eligible for participation in the ARF.

If the eligible part-time employee has met the two criteria, they have the choice to join the ARF plan or not to join.

***Eligibility factors for joining the ARF pension plan are different from eligibility factors for joining a Health Benefits Plan

1. They must complete two years of **continuous** service – no breaks in “employment”. This is not the same as summer months off for school and day care employees.
2. Their earnings during those two years must meet or exceed 35% of the YMPE earnings figure. The YMPE is determined each year by Canada Pension.

Here are the earnings thresholds that part-time employees must meet or exceed to be eligible for participation in the ARF:

A) What if the employee did not start on January 1st? Please call me for assistance

<u>Year</u>	<u>YMPE</u>	<u>35% of YMPE</u>
2018	\$55,900	\$19,565
2017	\$55,300	\$19,355
2016	\$54,900	\$19,212
2015	\$53,600	\$18,760
2014	\$52,500	\$18,375
2013	\$51,100	\$17,885
2012	\$50,100	\$17,535

In SK, MB, ON, QC, NS, and PEI it's 35% of YMPE – or – 700 hours in each in each of those 2 years.

Here is an illustration. Let's say a new part-time worker joins on January 1, 2015. Let's also assume their 2015 income was more than \$18,760 and that their 2016 income will be more than \$19,212. This employee is therefore eligible to join the ARF on January 1, 2017.

Manitoba – An Exception to the General Rule

Pension plan legislation occurs at both the provincial level and at the federal level. The above rules for part-time staff apply to all provinces except Manitoba.

For part-time employees in Manitoba only, the income requirement is based on just 25% of YMPE earnings versus 35% for all other provinces.

Changing Hours from Full-Time to Part-Time:

When a worker is a member of the ARF plan they remain an employee even if they move to part-time hours. The employee cannot remove any of their funds from the plan while employed. *** Do not confuse this with health benefits. The worker is not terminating from the ARF plan, just changing hours.

Question 1: What if the full-time employee in question moves to part-time hours, but wishes to stop contributing?

British Columbia, Alberta, Saskatchewan and Ontario **members may elect to not contribute** in the plan upon moving to part-time status. The employee cannot remove any of their funds from the plan while employed. **If the employee wishes to continue with contributions, the employer is obligated to match.**

Manitoba, Quebec, Newfoundland, New Brunswick, and Nova Scotia **members are required to contribute** in the plan even when they move to part-time status. The employee cannot remove any of their funds from the plan while employed.

Question 2: What if an already part-time employee wishes to stop contributing? The same answer applies as per question 1 above. Therefore in MB, QC, NFD, NB, and NS employees must continue and cannot elect to stop.

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