



PENSION ADMINISTRATION ***BULLETIN***

Reference No. 2005-14

Date: December 28, 2005

TO: All Pension Administration Contact Persons
at Contributing Member Organizations

RE: NSAHO Pension Plan - April 1, 2006 Increase in Contribution Rates

As per our October 11, 2005 memo – Reference No. 2005-07, the contribution rates are increasing effective April 1, 2006. Therefore, the 2006 year will be a transition year where two sets of contribution rates will be in effect. The impact of the contribution rate changes on the administration of your plan is covered in the remainder of this memo.

The new rates are shown in the table below:

Table Showing Current & New Rates				
Pensionable Earnings	EmployEE Contribution Rates		EmployER Contribution Rates	
	Current	New	Current	New
Up to \$42,100 (i.e. YMPE)	5.4%	5.95%	5.4% (6.0% if EmployER participated in 94-98 ERIP)	5.95% (6.55% if EmployER participated in 94-98 ERIP)
Above \$42,100 (i.e. YMPE)	7.0%	7.95%	7.0% (7.6% if EmployER participated in 94-98 ERIP)	7.95% (8.55% if EmployER participated in 94-98 ERIP)

The Impact on the 2006 Yearly Maximums:

With the change in the contribution rates mid-way through the year, it is necessary to blend the maximum Employee contributions based on the two levels of rates. Therefore, the maximum Employee contributions for 2006 will be \$8,315.16.

Please refer to our November 10, 2005 memo – Reference No. 2005-10 for all other 2006 Plan Maximums.

Your Implementation of the New Rates:

The rate change date is April 1, 2006. 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 for us to do our annual 2006 remittance reconciliation at year-end time and to ensure that each individual member has contributed the correct amount, we will require a breakdown of total pensionable earnings and total contributions for both before and after the date of the contribution rate change. Therefore, each facility will need to retain a year-to-date record for each plan member that shows the total pensionable earnings and total contributions up to the end of the pay period prior to the April, 2006 rate change date.

Employers will be required to report this breakdown to the NSAHQ PP at year end time when the annual data is collected for the 2006 Plan year.

Remittance Forms:

New remittance forms will be available early in 2006.

If you have any questions about the content of this Bulletin, please contact our staff at 832-8500 or, if calling long distance, at 1-866-400-4400.