

# Article B.5: Registered Retirement Savings Plan

## ❖ Overview

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This article establishes provisions for a Registered Retirement Savings Plan (RRSP), including the BCTF plan and alternative plans. The article covers plan definitions, employee contributions, and administration of the BCTF plan.

## ❖ Article B.5: Registered Retirement Savings Plan

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1. *In this Article:*
  - a. “*the BCTF Plan*” means *the Group RRSP entered into by the Federation and Royal Trust or a successor to that plan;*
  - b. “*alternative plan*” means *a group RRSP, including the BCTF Plan, which was entered into prior to the coming into force of this Article, and which is still in effect as of that date.*
2. *Where an alternative plan exists in a district pursuant to Article B.5.1.b that plan shall remain in effect.*
3. *The BCTF Plan shall be made available in all districts not included in Article B.5.2.*
4. *The employer shall deduct from the monthly salary of employees, as at the end of the month following enrollment, contributions in a fixed dollar amount specified by the employee on behalf of any employee who elects to participate in the BCTF Plan. The employer shall remit these amounts to the designated trustee no later than the 15th of the month following the month in which the deduction is made.*
5. *The employer shall make available, to present employees on request and to new employees at the time of hire, enrollment forms and other forms required for participation in the BCTF Plan. Completed forms shall be processed and forwarded to the designated trustee by the employer.*
6. *If in any month, an employee is not in receipt of sufficient net pay to cover the monthly payroll deduction amount for any reason, the contribution to the BCTF Plan for that employee shall not be made for that month. If the employee wishes to make up any missed contribution(s), the employee shall make arrangements for same directly with the designated trustee.*
7. *Employees shall have the opportunity to enroll or re-enroll in the BCTF Plan as follows:*

- a. *between September 1 and September 30 or December 15 and January 15 in any school year;*
- b. *no later than sixty (60) days following the commencement of employment.*
8. *An employee may withdraw from participation in the BCTF Plan where he/she has provided thirty (30) days' written notice to the employer.*
9. *There shall be no minimum monthly or yearly contribution required of any employee who participates in the BCTF Plan.*
10. *Participating employees may vary the amount of their individual contributions to the BCTF Plan on either or both of October 31 and January 31 in any school year, provided that written notice of such change has been provided to the employer no later than September 30 for changes to be effective October 31, and December 31 for changes to be effective January 31.*
11. *The BCTF Plan established in a district pursuant to Article B.5.3 shall be made available to employees on a continuing contract of employment and employees on term or temporary contracts of employment as defined in the Previous Local Agreement.*

## ❖ Explanation

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### B.5.1 1. In this Article:

- a. *“the BCTF Plan” means the Group RRSP entered into by the Federation and Royal Trust or a successor to that plan;*
- b. *“alternative plan” means a group RRSP, including the BCTF Plan, which was entered into prior to the coming into force of this Article, and which is still in effect as of that date.*

B.5.1 provides definitions of the two contractual group Registered Retirement Savings Plans (RRSPs) under the provincial collective agreement. Clause B.5.1.a is the definition of the BCTF RRSP that was the subject of provincial negotiations.

Clause B.5.1.b defines “alternate plan,” which includes all plans that were negotiated into local agreements prior to provincial bargaining. Among these are plans that use a different agent from that for the BCTF plan. Also included is an earlier version of the BCTF plan featuring some different administrative conditions than those included in the BCTF plan which is being introduced through the provincial collective agreement.

Board policy in some districts establishes a third form of RRSP in which all employee groups are eligible to enroll. The provincial collective agreement has not modified any aspect of this form of RRSP. However, while these

districts make a plan available to all employees, the districts are also obligated to provide the BCTF plan if teachers in the districts wish to enroll.

It might be helpful to note that a list of the various plans, and the districts in which they apply, may be found in the Salary and Benefits section on the BCTF website.

**B.5.2**     *2. Where an alternative plan exists in a district pursuant to Article B.5.1.b that plan shall remain in effect.*

B.5.2 provides that alternate plans will remain in place. Inferentially, B.5.3 establishes that districts with these plans are not also obligated to make the BCTF plan available to their employees. Thus, a district is not required to administer two negotiated plans.

**B.5.3**     *3. The BCTF Plan shall be made available in all districts not included in Article B.5.2.*

B.5.3 obligated districts with no other negotiated plan to make the BCTF plan available no later than December 31, 1996. Accordingly, since January 1997, all teachers should have access to an RRSP through their employer.

**B.5.4**     *4. The employer shall deduct from the monthly salary of employees, as at the end of the month following enrollment, contributions in a fixed dollar amount specified by the employee on behalf of any employee who elects to participate in the BCTF Plan. The employer shall remit these amounts to the designated trustee no later than the 15th of the month following the month in which the deduction is made.*

Deduction under B.5.4 will begin at the end of the month following the month of enrollment. For example, if an enrollment form had been completed on October 23, 2006, the first deduction would have been made on November 30, 2006. The contribution must be a whole dollar amount to prevent employees from designating a percentage of their salary.

Remittance by the 15th of the month following the deduction coincides with the remittance of the dues and superannuation amounts. Electronic transfer or inter-bank transfer is not a requirement of this remittance. In the example above, the remittance would have been made by December 15, 2006.

**B.5.5**     *5. The employer shall make available, to present employees on request and to new employees at the time of hire, enrollment forms and other forms required for participation in the BCTF Plan. Completed forms shall be processed and forwarded to the designated trustee by the employer.*

B.5.5 establishes that the employer will provide employees with the enrollment and other forms necessary for the BCTF plan. For existing employees, this shall be done upon request; for new employees, it will be done at the time of

hire. For further advice, see Implementation later in this article.

- B.5.6** 6. *If in any month, an employee is not in receipt of sufficient net pay to cover the monthly payroll deduction amount for any reason, the contribution to the BCTF Plan for that employee shall not be made for that month. If the employee wishes to make up any missed contribution(s), the employee shall make arrangements for same directly with the designated trustee.*

B.5.6 addresses two administrative issues. First, a deduction will not be made if earnings are not sufficient to make the entire deduction. No partial deductions should be made. Second, the employee must make up missed deductions directly with the plan trustee. See Implementation later in this article.

- B.5.7,** 7. *Employees shall have the opportunity to enroll or re-enroll in the BCTF Plan as follows:*
- B.5.8,**
- B.5.9,**
- and**
- B.5.10**
- a. *between September 1 and September 30 or December 15 and January 15 in any school year;*
- b. *no later than sixty (60) days following the commencement of employment.*
8. *An employee may withdraw from participation in the BCTF Plan where he/she has provided thirty (30) days' written notice to the employer.*
9. *There shall be no minimum monthly or yearly contribution required of any employee who participates in the BCTF Plan.*
10. *Participating employees may vary the amount of their individual contributions to the BCTF Plan on either or both of October 31 and January 31 in any school year, provided that written notice of such change has been provided to the employer no later than September 30 for changes to be effective October 31, and December 31 for changes to be effective January 31.*

B.5.7, B.5.8, B.5.9, and B.5.10 address a variety of administrative matters and reflect members' interests in minimizing the administrative impact of these plans.

- B.5.11** 11. *The BCTF Plan established in a district pursuant to Article B.5.3 shall be made available to employees on a continuing contract of employment and employees on term or temporary contracts of employment as defined in the Previous Local Agreement.*

To minimize administration, B.5.11 restricts participation in the BCTF plan to those employees who have continuity of employment and therefore a predictable income from which to make payroll deductions.

## ❖ Implementation

This article was introduced into the collective agreement in 1996, and the BCTF plan has been available since December 31, 1996.

The guidelines below should be followed in administering this article.

- District staff should not provide advice to teachers about any aspect of the RRSP. For information on account holdings in the BCTF group RRSP, employees should inquire directly to Royal Bank Financial Group at 1-866-550-5517. For information on the administration of this plan, contact the local teachers' association.
- Once the employee initiates payroll deductions, they are deemed continuous from school year to school year unless the employee requests a change or cancellation, or until the employee is no longer in receipt of pay.
- Employees are responsible for determining payroll deduction amounts that do not exceed their maximum allowable RRSP contribution limits, as determined by the Canada Revenue Agency.
- Employees wishing to make an additional lump-sum contribution and withdraw funds must make arrangements directly with the Royal Bank Financial Group.
- Employees are responsible for informing the trustee of a change of address.
- The trustee is responsible for reporting directly to all participants on contribution amounts, investment earnings, withdrawals, etc. for Canada Revenue Agency and other information purposes.