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## **Additional Voluntary Contributions (AVC)**

**Policy and Procedure** -This policy applies to Active, contributing Members of the Canadian Baptist Pension Plan (CBPP).

For the purpose of this policy, an Active Member is defined as a member currently employed by a participating employer and contributing to the Pension Plan. Since the AVC amount must be recorded on the T4 for tax purposes, a member on an unpaid leave may not make an AVC.

AVCs may be made through monthly payroll deduction or through a lump sum/periodic payment.

### **Monthly Payroll Deduction**

- AVC transactions are coordinated with the employer's payroll
- The member advises the treasurer how much to withhold each month
- The treasurer deducts the additional pre-determined amount and remits the AVC with the regular member and employer monthly contribution.

### **Lump sum/periodic payment**

- With employer agreement, the member may make a lump sum/periodic payment rather than monthly payroll deductions
- The member makes the cheque payable to *Sun Life Assurance Company of Canada* and provides the treasurer with a letter of direction to be forwarded to Sun Life.
- The treasurer keeps a photocopy of the cheque and letter for the church records.
- If remittances are by mail, the treasurer sends current dated cheque (post dated cheques cannot be accepted) with letter of direction along with regular member and employer monthly contribution to SLF. If monthly remittances are electronic, the treasurer mails cheque and letter of direction to Sun Life.

AVCs must be recorded separately by Sun Life Financial (SLF) so the treasurer must indicate the AVC amount when remitting. The treasurer ensures the T4 includes both the regular and additional contributions (Box 20, Box 52).

For more detail, the treasurer should call the Sun Life Sponsor Care Centre at 1-800-387-7262.

AVCs impact the yearly contribution limit to retirement savings plans. In total, pension plan members are allowed to tax shelter up to 18% of earned income in their pension plan and RRSP savings. AVCs cannot not be withdrawn while the member is employed.

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### **Transfers In (RRP, RRSP)**

- **from another Registered Pension Plan (RPP)**
- **from a Member Registered Retirement Savings Plan (RRSP)**
- **from a Spousal Registered Retirement Savings Plan (RRSP)**

Treasurers have no paperwork to complete on transfers into the Fund. The money flows directly from one financial institution to the other. There are no tax implications.

This policy applies to:

- Active, contributing Members of the Canadian Baptist Ministries Pension Plan (CBPP)
- Active Members on Approved Leaves
- Former Members – members who terminated service and still have assets in the CBPP.

Procedure – transfer from:

1. **another pension plan (RPP) into the CBPP**
  - requires completion of CRA form T2151
  - Locking In instructions provided by exporting carrier
2. **a Registered Retirement Savings Plan (RRSP) into the CBPP**
  - requires completion of CRA form T2033
  - not Locked In
3. **a Spousal RRSP into the CBPP** – assets in the Member or Former Member’s name which were contributed by the spouse.
  - Requires completion of CRA form T2033
  - not Locked In

The above transfers are always recorded as separate deposits by Sun Life. Money transferred into the CBPP cannot be withdrawn while the member is employed.

Members must contact Sun Life to initiate: 1-866-733-8613.

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### **Transfers In (RIF)**

- **Retirement Income Fund (RIF) to the CBPP**
- **Retirement Income Fund (RIF) to a SLF retirement product**

### **RIFs include:**

- **Life Income Fund (LIF)**
- **Locked Retirement Income Fund (LRIF)**
- **Registered Retirement Income Fund (RRIF)**
- **Prescribed Retirement Income Fund (PRIF)**

Treasurers have no paperwork to complete on transfers into the Fund. The money flows directly from one financial institution to the other.

### **This policy applies to:**

- Active, contributing Members of the Canadian Baptist Ministries Pension Plan (CBPP)
- Active Members on Approved Leaves
- Former Members – members who terminated service and still have assets in the CBPP.
- Retirees – These are individuals who previously were Active or Former Members who have moved their money from the CBPP into another Sun Life retirement product.

### **Procedure**

- Members must be under age 71
- LIF/LRIFs must first be transferred into a LIRA; then the LIRA is transferred to the CBPP
- Requires completion of CRA form T2033 and T2151
- No future payments from the RIFS

The member must contact Sun Life to initiate RIF/LIF transfer: 1-866-224-3906, option #1.