

IAM MEPP (Canada)  
Plan Registration Number 57729

June 24, 2024

The Board of Trustees of the IAM Multi-employer Pension Plan recently approved increases to your pension benefits.

Effective March 1, 2024, if you had not commenced receiving a pension and did not take your entitlement out of the plan, your accrued benefit to date increased by 25%. If you commenced receiving a pension prior to March 1, 2024, your pension in-pay increased by 25%.

This means that for every \$1 of accrued pension or pension in-pay, you received an additional \$0.25 in benefits.

### **What is a Past Service Pension Adjustment (PSPA)?**

All registered retirement savings vehicles, including registered pensions plans and registered retirement savings plans (RRSPs), are subject to the *Income Tax Act and Regulations*.

When you file your income tax return, the Canada Revenue Agency (CRA) determines your RRSP deduction room for the coming year based on your salary, any prior unused RRSP deduction room along with an amount called a Pension Adjustment (PA) that reflects any benefits you accrued in a registered pension plan.

When past service benefits are increased, an additional adjustment to your RRSP deduction room **may** arise. This amount is called a Past Service Pension Adjustment (PSPA).

### **How is a PSPA calculated?**

PSPAs are determined as follows:

- 1) Past PAs are recalculated to reflect the increase in past service benefits
- 2) All previously reported PAs and PSPAs are deducted from the amount determined in 1)

### **Do I need to do anything?**

No, you do not need to do anything. If you have a PSPA as a result of this benefit increase, your employer will submit a completed T215 form to the CRA. Your unused or future RRSP deduction room may be adjusted as follows:

1. If the PSPA is less than the unused RRSP room, then your RRSP room will be reduced by the PSPA.
2. If the PSPA is more than the unused RRSP room, then your RRSP contribution limit for 2025 will be reduced by the difference.

