



## The Pension and Benefits Board

**To: Congregational Treasurers, Payroll Administrators**  
**Date: October 2025**  
**Re: 2025 T4 - Pension Adjustments & Dental Coding Information**

Please use this memo to calculate the Pension Adjustment (PA) for members of the Presbyterian Church in Canada Pension Plan, and to complete the required box 45 - Employer offered dental benefits for 2025.

**Please ensure all member contributions are remitted by December 31, 2025.**

You will need to include the following entries on the 2025 T4 slip:  
Box 45 – Employer Offered Dental Benefits - see instructions below  
Box 50 – Pension Plan Registration No. **0368902**  
Box 52 – Pension Adjustment – use the formula below  
Box 20 – RPP member pension contributions

### Pension Adjustment

The PA is based on contributions remitted and the member's qualifying income, up to the maximum qualifying income (MQI). For 2025, the maximum qualifying income is \$87,120.

Pension Adjustment (PA) is calculated:

- Rounded to the nearest dollar
- If the calculation results in a negative amount, the PA for the year is zero.

### Pension Adjustment Formula

**9 multiplied by (qualifying income multiplied by 0.015) less \$600**

**9 x ( \_\_\_\_\_ x 0.015) - \$600**

**= Pension Adjustment**

### Reporting Requirement - Employer Offered Dental Benefits

The federal government requires employers to report on a tax slip whether an employee, former employee or spouse of a deceased employee is eligible on December 31 of the reporting tax year to access dental insurance, or dental coverage of any kind due to current or former employment. Please use one of the following codes when completing your employee's T4:

#### Code 3

For members who have active coverage under the PCC's health and dental plan with Sun Life, please select:

**Code 3** - Access to dental care insurance or coverage of dental services of any kind for employee, spouse and dependents.

#### Code 1

For employees without health & dental coverage, please select:

**Code 1** - No access to any dental care insurance or coverage of dental services of any kind.

## PA Calculation Examples

### Full-time employment at the maximum qualifying income

The maximum qualifying income for 2025 is \$87,120. If a member's qualifying income calculation equals more than \$87,120, then the maximum should be used.

- A full-time member earning the maximum qualifying income:  
 $PA = 9 * (\$87,120 * 0.015) - \$600 = \mathbf{\$11,161}$

### Full-time employment under the maximum qualifying income

- A full-time member earning less than the maximum qualifying income:  
 $PA = 9 * (\$50,000 * 0.015) - \$600 = \mathbf{\$6,150}$

### Part-time employment

For members who work part-time, it is important to check that a member's earnings does not exceed the maximum qualifying income *based on the percentage of time worked*.

- For example, if the member works 60% time, the qualifying income should not exceed \$52,272.
- This is determined by multiplying the maximum by the percentage of time worked:  $\$87,120 * 0.6 = \$52,272$
- A part time member working 60% time earning the maximum qualifying income (pro-rated as per above):  
 $PA = 9 * (\$52,272 * 0.015) - \$600 = \mathbf{\$6,457}$

### Partial year employment

For members who work only for part of the year (i.e. a member who joined, left or terminated during the year), it is important to check that the earnings do not exceed the maximum qualifying income *based on the number of months worked*.

- For example, if a member works for 3 months of the year, earning a total of \$25,000 it would need to be checked that the total earnings (\$25,000) do not exceed the prorated maximum qualifying income for 3 months of employment.
- To check this, the monthly prorated maximum qualifying income is determined by dividing the maximum qualifying income by twelve and then multiplying by the number of months worked.
- The prorated maximum qualifying income for 3 months would be  $\$87,120 / 12 * 3 = \$21,780$
- In this example the amount earned (\$25,000) exceeds the prorated maximum qualifying income (\$21,780), therefore the prorated maximum qualifying income should be used to calculate the pension adjustment.
- $PA = 9 * (\$21,780 * 0.015) - \$600 = \mathbf{\$2,340}$

### More than one employer in the same year

For members who move from one employer to another during the course of the year, the \$600 offset must be prorated and used in each employer's calculation based on the percentage of the year the employee was in their service.

- For example, if a member was in the plan for the full year but left one congregation 4 months into the year, with earnings of \$29,040 and immediately joined another congregation for the remainder of the year, with earnings for this period of \$58,080 each treasurer will report separately, and the \$600 offset would be prorated.
- For 1<sup>st</sup> period of service:  $PA = 9 * (\$29,040 * 0.015) - (600 * 4/12) = \mathbf{\$3,720}$
- For 2<sup>nd</sup> period of service:  $PA = 9 * (\$58,080 * 0.015) - (600 * 8/12) = \mathbf{\$7,441}$

If you require assistance with the PA calculation or the dental coding please contact the Pension and Benefits office.

**Phone:** 1-800-619-7301 OR 416-441-1111 extension 229 or 287

**Website:** [www.presbyterian.ca/pensionsandbenefits](http://www.presbyterian.ca/pensionsandbenefits)

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