

Purchasing Past Service gives you the opportunity to increase the amount of your pension benefit with the Alberta Sheet Metal Workers' Retirement Plan. We believe this Plan feature to be a great step towards maximizing your future retirement income. When purchasing past service, Canada Revenue Agency (CRA) imposes a maximum for tax deduction and the amount of pension benefit you can purchase.

**Maximum Tax Deductible – Cash Payments:**

The **maximum** amount of Past Service you can purchase for a tax deduction in **any calendar year** is **\$3,500**. You **do not** have to pay the maximum, but rather whatever you find affordable up to \$3,500. The \$3,500 calendar year maximum will earn you an additional monthly lifetime benefit payable on retirement at age 60. The amount of additional benefit is based on your age ~ see chart below. If you retire on or after age 57, Supplementary pension is calculated on the additional lifetime benefit you purchased.

Past Service purchases are tax deductible for the year in which the purchase is made, *provided* the payment is made **before December 31st**. The payment cut off does not follow the RRSP deadline. If possible, we recommend that your past service purchase be applied to membership years before 1990. Any purchases applied to service after 1989 will reduce the amount you can contribute to an RRSP.

**Maximum Benefit Purchase - RRSP Transfers:**

You may also purchase Past Service by transferring funds from your RRSP or another Registered Pension Plan. In this case, the maximum of \$3,500 per calendar year is not applicable, however, CRA limits how much past service you can purchase to be no more than the number of years an Employer contributed multiplied by the maximum benefit allowed for top up in that year. Your RRSP transfer must be received by December 31<sup>st</sup>. You will not receive a tax deduction if you transfer funds from a RRSP. Please call us for the proper forms in the event that you would like to transfer RRSP funds.

*Effective January 1, 2024 the charge for Past Service is based on your age as follows;*

Age At 31-Dec-23	Cost per Hour	Amount of Monthly Lifetime Benefit \$3,500 Purchases	Age At 31-Dec	Cost per Hour	Amount of Monthly Lifetime Benefit \$3,500 Purchases
20	\$2.12	\$68.35	43	\$5.51	\$26.30
21	\$2.21	\$65.57	44	\$5.74	\$25.24
22	\$2.30	\$63.00	45	\$5.98	\$24.23
23	\$2.40	\$60.38	46	\$6.24	\$23.22
24	\$2.50	\$57.96	47	\$6.50	\$22.29
25	\$2.61	\$55.52	48	\$6.78	\$21.37
26	\$2.72	\$53.27	49	\$7.06	\$20.52
27	\$2.83	\$51.20	50	\$7.36	\$19.69
28	\$2.95	\$49.12	51	\$7.67	\$18.89
29	\$3.08	\$47.05	52	\$8.00	\$18.11
30	\$3.21	\$45.14	53	\$8.34	\$17.37
31	\$3.35	\$43.25	54	\$8.69	\$16.67
32	\$3.49	\$41.52	55	\$9.06	\$15.99
33	\$3.64	\$39.81	56	\$9.44	\$15.35
34	\$3.79	\$38.23	57	\$9.66	\$15.00
35	\$3.95	\$36.68	58	\$9.69	\$14.95
36	\$4.12	\$35.17	59	\$9.69	\$14.95
37	\$4.29	\$33.78	60	\$9.52	\$15.22
38	\$4.47	\$32.42	61	\$9.19	\$15.77
39	\$4.66	\$31.09	62	\$8.84	\$16.39
40	\$4.86	\$29.81	63	\$8.47	\$17.11
41	\$5.07	\$28.58	64	\$8.09	\$17.91
42	\$5.28	\$27.44	65	\$7.82	\$18.53

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