



# PAYROLL PROCEDURES FOR HIGH INCOME EARNERS CONTRIBUTING TO THE NEW BRUNSWICK PUBLIC SERVICE PENSION PLAN

DECEMBER 2025

## Who is affected?

Any contributor to the New Brunswick Public Service Pension Plan (NBPSPP) whose earnings provide for a pension benefit that exceeds the Defined Benefit Limit set by the Canada Revenue Agency (CRA). For the year 2026, the maximum earnings based on the Defined Benefit Limit are \$218,991 ("Maximum Earnings"). Any contributions paid on earnings in excess of the Maximum Earnings ("RCA Contributions") will need to be reported separately on each payroll and the funds will need to be deposited into a Retirement Compensation Arrangement ("RCA").

The Defined Benefit Limit will change each year; therefore, the Maximum Earnings will change each year. The new Maximum Earnings will be provided by Vestcor in January each year.

## Contribution Rates

Employee contribution rates for the RCA will be the same as the employee contribution rate for the NBPSPP (currently 10.7 % above the YMPE\*).

Employer contribution rates for the RCA will now also be the same as the employee contribution rate (currently 10.7% above the YMPE\*).

\*YMPE: Yearly Maximum Pensionable Earnings  
The YMPE for 2026 is \$74,600.

Please refer to the table below for a breakdown of the applicable rates:

Earnings	Fund where contributions are to be deposited	Employee Rate	Employer Rate
Up to the YMPE (up to \$74,600 for 2026)	NBPSPP	7.5%	11.25%
Above the YMPE up to the Maximum Earnings (from \$74,600 to \$218,991 for 2026)	NBPSPP	10.7%	11.25%
Above the Maximum Earnings (above \$218,991 for 2026)	RCA	10.7%	10.7%

## Reporting Payroll Data

Once an employee reaches the Maximum Earnings for contributing into the NBPSPP, Canada Revenue Agency and the RCA trust agreement requires the employer to report the excess earnings above the maximum and the contributions on those excess earnings as **Plan 50 (RCA)**. If the employee meets the Maximum Earnings part way through a pay period, the earnings and contributions will have to be split between the NBPSPP and the RCA.

The reported earnings codes used to determine the contribution type in the Vestcor Employer Portal (Employer Portal) will remain the same. Once the Maximum Earnings is reached for these NBPSPP members, your payroll system should be programmed to stop NBPSPP Pension deductions and start the RCA deductions under Plan 50.

## Retroactive Adjustments

If a member receives a retroactive pay adjustment, the handling of the contributions on that retroactive pay adjustment will depend on when the retroactive adjustment is paid.

- If the retroactive adjustment is paid before the member hits the Maximum Earnings for the year, the contributions will be paid into the NBPSP.
- If the retroactive adjustment is paid after the member hits the Maximum Earnings for the year, the contributions will be paid into the RCA.

The contribution rate used for the retroactive pay adjustment will be the same as the contribution rate the member is paying at the time the pay adjustment is paid. Please refer to the table in the Contribution Rates section.

## T4 Reporting

The contributions paid into the RCA will be reported in box 20 on the T4 slip along with the regular contributions paid into the NBPSP.

Please note that a letter will need to be provided to the employee with their T4 outlining how much contributions in box 20 were paid into the NBPSP and how much were paid into the RCA. You will find attached an example of the template letter that must accompany the T4 slip.

## Pension Adjustments (PA)

Since the employee will have already reached the maximum benefit allowed under the Income Tax Act no PA will need to be reported for the earnings in excess of the Maximum Earnings.

## Remitting Contributions

All contributions deducted on earnings in excess of the Maximum Earnings (RCA contributions) will be remitted to a separate account. You are required to complete a “Remittance Statement for Pension Contributions” form for each pay period in which you deduct RCA contributions (Plan ID 50) from your employees.



The “Remittance Statement for Pension Contribution / Retirement Compensation Arrangement (RCA)” form can be found in the “Manuals and Forms” section at [www.vestcor.org/employers](http://www.vestcor.org/employers). You will also find attached a hard copy of the form.

## Remitting Contributions *(continued)*

Below you will find additional information on each of the specific fields in the form.

Field Name	Description
Employer	This field is used to enter the employer's name.
Prepared by	This field is used to indicate the name of the person who has prepared the remittance form.
Phone Number	This field is used to note the contact phone number of the preparer of the form.
Cheque Number or EFT/Wire Transfer Date	If you are remitting by cheque, this field is used to indicate your cheque number. If you are remitting by EFT/Wire Transfer, this field is used to indicate the date of the EFT/Wire Transfer. Depending on your payment method, you will only need to fill in one of these two fields. Please see additional information on payment methods below.
Cheque Amount	This field is used to note the dollar value on the cheque, or the value of the EFT/Wire Transfer being submitted for the pay period. <b>Please note:</b> The pension contributions being remitted should be equal to the Vestcor Employer Portal (Employer Portal) file submitted for each pay period. Please refer to your procedures for submitting payroll files via the Employer Portal.
Pay Period from and to	This section is used to enter the start date and end date of the pay period for which you are remitting.
Plan ID	This field is used to indicate the pension plan for which the remittance relates. The contributions for the RCA should be reported as Plan 50.
Employee Deductions - Regular	This field will show the dollar amount deducted from employees which will match the employee (EE) dollar amount submitted on the Employer Portal file.
Employer Deductions - Regular	This field will show the dollar amount required by the employer as per Pension Plan Regulations.
Employee Deductions - Adjustment & Employer Deductions - Adjustment (if applicable)	These fields are used to note any adjustments that are required due to the Employer Portal file and remittance being out of balance. If adjustments are required to the Employer Portal file, we require that you adjust the next Employer Portal file and the related remittance.
Employee Deductions - Prior Service	This field is used to indicate the purchase of service dollars paid by employees. This field is not applicable for RCA contributions.
Employer Deductions - Prior Service	This field is used to indicate the purchase of service dollars paid by employer. This field is not applicable for RCA contributions.
Total	These fields are used to indicate the total of employee and employer columns which will equal the cheque amount.
Remarks	Please note any details for employee and employer adjustments. Pertinent information would include employee name, employee number, dollar amount, etc.

Remittances can be paid via cheque, electronic funds transfer (EFT) or wire transfer. Please notify us immediately of the payment method chosen.

## Remitting by Cheque

If you are remitting by cheque, please mail your cheque and your completed form to:



**Vestcor**  
**c/o Administrator Financial Services**  
**P.O. Box 6000**  
**Fredericton, NB E3B 5H1**

**Cheques should be made payable to Minister of Finance.**

## Remitting by EFT or Wire Transfer

Your completed “Remittance Statement for Pension Contributions / Retirement Compensation Arrangement (RCA)” form will need to be sent to Vestcor four (4) business days prior to the transfer date. Forms can be sent to the attention of the Administrator Financial Services by fax (fax number is 506-457-7388) or by email (email address is [rem.pensions@vestcor.org](mailto:rem.pensions@vestcor.org)). Please be sure to indicate the EFT or wire transfer date on the remittance form so we can easily match up your completed form to your payment.

Before you are able to remit funds via EFT or wire transfer for Plan 50 (RCA), you will require the following banking information:



**Royal Bank of Canada**  
**504 Queen Street**  
**Fredericton, NB**  
**E3B 5G1**

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**SWIFT: ROYCCAT2**  
**Institution: 003**  
**Transit: 00884**  
**Account: 00884000-009-1**

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**Beneficiary: Province of New Brunswick – Minister of Finance**  
**675 King Street**  
**Fredericton, NB E3B 5H1**

## Remittance Statement & Detailed Reports

Regardless of the method of payment, you are required to provide us your details supporting your remittance amount. We will be using these details in our reconciliation processes. The listing should include the last name, employee ID, and dollar amounts remitted for each of your employees for the pay being remitted. Generally, these reports would be prepared by your payroll department. You can send your listing by mail, fax or email. To make payment arrangements, please refer to the contact information section.



Please do not include social insurance numbers, full names, addresses, or any other personal identifiable information.

## Remittance Due Dates

In order to ensure compliance with CRA's guidelines for RCAs, all employers must remit their RCA contributions (along with all other pension contributions) by the third (3rd) business day of the month following the month in which the contributions were withheld. If you remit late or fail to remit, your remittance will be subject to CRA penalties and interest.

## Contact Information



### REMITTING CONTRIBUTIONS

For questions relating to the "Remittance Statement for Pension Contributions/Retirement Compensation Arrangement (RCA)" form, and/or the steps involved in remitting RCA contributions, please contact Vestcor's Financial Services team at the numbers provided below, or email [rem.pensions@vestcor.org](mailto:rem.pensions@vestcor.org).

### PAYROLL REPORTING

For questions relating to payroll reporting, please contact the Data Services Coordinator (DSC) assigned to your organization at the numbers provided below.

### VESTCOR

506-453-2296 or toll free anywhere in Canada at 1-800-561-4012





(For Employer Use | À l'usage de l'employeur)

**REMITTANCE STATEMENT FOR PENSION CONTRIBUTIONS/  
RETIREMENT COMPENSATION ARRANGEMENT (RCA)  
VESTCOR**

Employer/employeur \_\_\_\_\_

Prepared by/préparé par \_\_\_\_\_

Phone Number/numéro de téléphone \_\_\_\_\_

Cheque Number/numéro du chèque \_\_\_\_\_

EFT Date/date du TFE \_\_\_\_\_

Cheque Amount/ montant du chèque	
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Pay Period from/ période de paie du	Y/A	M/M	D/J	to/au	Y/A	M/M	D/J

PLAN ID/  
ID. DU RÉGIME

**Employee Deductions/Retenues de l'employé**

Regular/régulières	
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Adjustment - Remarks Below:/ Ajustement - notes ci-dessous :	
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Prior Service/ Service antérieur	
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Adjustment - Remarks Below:/ Ajustement - notes ci-dessous :	
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TOTAL	
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REMARKS FOR ANY MANUAL ADJUSTMENTS OR DISCREPANCIES WITH  
PAYROLL AND REMITTANCES:

**ÉTAT DE REMISE DE COTISATIONS DE PENSION/ CONVENTION DE  
RETRAITE (CR)  
VESTCOR**

Org. ID/ No. Org.

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Plan ID/ Id. du régime	Payable to/ payable à l'ordre de :
1, 2, 3, 9	Vestcor Inc.
5, 6	Minister of Finance/ Ministre des finances
8	Shared Risk for CUPE Employees of NB Hospitals/ Régime à risques partagés des employés des hôpitaux du N.-B., membres du SCFP
50 Retirement Compensation Arrangement (RCA)  Convention de retraite (CR)	Minister of Finance/ Ministre des finances

**Employer Deductions/Retenues de l'employeur**

Regular/régulières	
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Adjustment - Remarks Below:/ Ajustement - notes ci-dessous :	
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Prior Service/ Service antérieur	
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Adjustment - Remarks Below:/ Ajustement - notes ci-dessous :	
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TOTAL	
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NOTES AU SUJET DES AJUSTEMENTS MANUELS OU DIFFÉRENCES EN  
CONCILIATION ENTRE LA FICHE DE PAIE DE L'EMPLOYEUR DANS PIBA ET  
LES REMISES :

PLEASE SEND REMITTANCE TO:  
Vestcor  
c/o Administrator Financial Services  
P.O. Box 6000, Fredericton, NB E3B 5H1

FAIRE PARVENIR LE PAIEMENT À :  
Vestcor  
a/s de l'administrateur des services financiers  
C.P. 6000, Fredericton, NB E3B 5H1



Date

Employee Name

Employee Address

**Re: 2025 New Brunswick Public Service Pension Plan (NBPSPP) and Retirement Compensation Arrangement (RCA) contributions**

During 2025, deductible NBPSPP and RCA contributions were withheld from your income. Both your registered pension plan contributions, as well as your deductible RCA contributions, are included in box 20 of your attached *T4 slip - Statement of Remuneration Paid*.

The breakdown of box 20 is as follows:

Registered pension plan contributions (NBPSPP)	\$X,XXX.XX
Deductible RCA contributions	<u>X,XXX.XX</u>
Total contributions reported in box 20	<u>\$X,XXX.XX</u>

If you have any questions, please contact your payroll department.

Regards,

Employer Organization Contact