



# The Pension Office Corporation/La Société du Bureau de Retraite

The Anglican Church of Canada/L'Église anglicane du Canada

80 Hayden Street, Toronto, Ontario M4Y 3G2

May 9, 2005

Dear CEP Member:

## **Re: Changes to the Continuing Education Plan Rules**

This letter is to let you know about changes to the Continuing Education Plan, which will take effect July 1, 2005.

The tax status of the Plan has been unclear for some time, and as a result, we have been in consultation with Canada Revenue Agency (CRA) to try and obtain some clarity. We have been advised that in order to qualify as a "Non-Profit Organization" under the Income Tax Act, it must be shown that the sole purpose of the Plan is to provide education or training for employees of the employer in order to improve their work or work-related skills, for the benefit of the employer. In the absence of such qualification, the Plan and the members will be subject to a very substantial tax liability.

As a result, we are amending the wording of the various legal documents to comply with CRA's requirements. Some changes will therefore be necessary in how benefits are eligible to be paid from the Plan. These changes are listed below:

- There will be a certification on the claim form confirming that the expense being claimed is in respect of education or training which benefits the employer. This must be signed by the claiming employee's Bishop or Director.
- Upon termination of employment, the employee is entitled to a refund of that portion of the unused balance, which was generated from his/her own contributions. Contributions may be left in the Plan for a maximum of 2 years, in case of a return to employment for a participating employer in the Plan. In the case of a return to participating membership, the employer contributions will remain in the employee's account to be applied to continuing education expenses for the benefit of the employer. The employee may request a refund of his/her own contributions at any time during the 2 year period, but at the end of 2 years, the money will be refunded automatically.
- Upon retirement, the employee is entitled to a refund of that portion of the unused balance, which was generated from his/her own contributions. If a retiree continues the working relationship after retirement, whether part-time/occasional/voluntary, he/she continues to be eligible to claim to the CEP for education expenses which benefit the employer. Any claim for funding of such education must be verified by the Bishop/Director.

Enclosed please find a new brochure describing the Plan, a revised claim form and your annual statement showing your account balance as at December 31, 2004.

Please feel free to contact the Pension Office if you have any questions.

  
**Judith Robinson**  
**Executive Director**