

Disability Leave – Scenario 1

How long are PEPP employers required to remit employer matching contributions while an employee is on disability leave?

Do you have an employment contract stating a definite end date for selected employees, such as non-permanent staff?

YES

Does a policy exist within the employment contract that speaks to disability beyond the employment end date?

YES

Follow your organization's policy. Be sure to review it with the employee to ensure they clearly understand the policy.

NO

The employer must remit pension contributions to PEPP while an employee is receiving disability benefits until the employment relationship ends. If this occurs, employers must:

- notify PEPP by providing a *Notice of Termination* form when the employment relationship ends; and
- inform the disability insurer to stop deducting and remitting contributions on behalf of the employee.

NO

Pension contributions must be remitted to PEPP while an employee is receiving disability benefits.

Employees, who don't have an end date, are entitled to receive benefits from the disability carrier and, the employer is required to match all employee contributions being submitted.

Disability Leave – Scenario 2

Are PEPP employers required to remit the employer contributions while an employee is receiving disability benefits?

Do you have an agreement with your disability insurer to remit the member's contributions to you, so you can then forward to PEPP along with your employer contribution?

YES

No change to the process.

Once you receive the employee's contribution, you must remit both the employee and employer contributions to PEPP.

NO

Employers who do not have this arrangement with their insurer should:

1. Provide their employee with written information and document all contact with them. Notify them in writing about:
 - the amount required for their employee contribution;
 - remitting their contributions on an ongoing basis to you, the employer; and
 - the implications of not paying into the Plan (i.e., if the employee does not remit their contributions, the employer will not be required to send in the employer portion). This would result in a loss of potential investment earnings and will directly impact their account balance at retirement.

FYI: A *Contributions to PEPP While on Disability Leave* form has been prepared for your convenience. It can be accessed on the PEPP website [here](#).
2. Ensure payments are made to PEPP as soon as possible after each disability payment. The employee and employer should agree on the timing of these contributions.