

Formula used to calculate 2014 CPP, CRSP & Benefit Reserve

There are 2 examples listed below, Example 1 is if the Pastor receives a parsonage, Example 2 is if the Pastor does not receive a parsonage.

Example 1: Pastor A receives a salary of \$30,000 per year and lives in a parsonage.

Take the Pastor's salary \$30,000 x 25% (parsonage) = \$7,500.00

Add these two figures together: \$30,000 + \$7,500.00 = **\$37,500.00, this is the billable amount used to calculate CPP, CRSP & Benefit Reserve.**

CPP

\$37,500 X 3% = \$1,125.00 Total CPP amount per year billed - divided by 12 months = \$93.75 per month.

CRSP

\$37,500 X 3% = \$1,125.00 Total CRSP amount per year billed – divided by 12 months = \$93.75 per month.

Benefit Reserve - if CRSP is received then benefit reserve is also billed, take the billable amount listed above \$37,500 x 2% = \$750.00. Total Benefit Reserve amount per year billed – divided by 12 months = \$62.50 per month.

Therefore Pastor A will have the following amounts billed to the Pastor's church per month: **CPP** \$93.75 per month, **CRSP** \$93.75 per month & **Benefit Reserve** \$62.50 per month = \$250.00.

Example 2: Pastor B receives a salary of \$30,000 per year but no parsonage.

If the Pastor receives a cash payment for housing then you would add that amount to the Pastor's salary for this calculation.

CPP

Take the Pastor's salary \$30,000 X 3% = \$900.00 = CPP amount per year billed – divided by 12 months = \$75.00 per month.

CRSP

Take the Pastor's salary \$30,000 x 3% = \$900.00 = CRSP amount per year billed – divided by 12 months = \$75.00 per month.

Benefit Reserve – If CRSP is received then benefit reserve is also billed, take the Pastor's salary \$30,000 x 2% = \$600.00 = Benefit reserve amount per year billed – divided by 12 months = \$50.00 per month for benefit reserve.

Therefore Pastor B will have the following amounts billed to the Pastor's church per month: **CPP** \$75.00 per month, **CRSP** \$75.00 per month & **Benefit Reserve** \$50.00 per month = \$200.00

Please note that these figures are based on the Pastor's salary therefore if the Pastor's salary changes these amounts will also change! Also, these are only Pension figures and do not include Medical or Dental figures. 8/13/2013