

1 Q. Please provide Newfoundland Hydro's data on company-paid pension costs for its  
2 employees and for any others in Atlantic Canada for which it has data.

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5 A. Below are the details regarding company paid pension costs for Hydro employees  
6 and those of the Atlantic Canada Utilities.

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8 **Hydro**

9 Hydro is a participating employer in the Public Service Pension Plan of the  
10 Government of Newfoundland and Labrador. This pension plan is a defined benefit  
11 plan which sees the costs for the plan shared equally between the employer and  
12 employee. Contributions for the employer and employee are based on the  
13 following formula:

- 14 • 10.75% of pensionable salary up to the year's basic exemption (YBE)<sup>1</sup> as  
15 defined under the Canada Pension Plan (CPP).  
16 • 8.95% of pensionable salary in excess of the YBE up to and including the  
17 years' maximum pensionable earnings (YMPE).<sup>2</sup>  
18 • 11.85% of pensionable salary in excess of the YMPE.

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<sup>1</sup> YBE is defined by CPP. The YBE is a portion of salary upon which no CPP contributions are required. Please note, however, that the YBE is included in salary for calculating CPP benefits.

<sup>2</sup> The YMPE is the ceiling on which CPP benefits are based. It changes annually and is set at the beginning of each year by CPP.

**1 Newfoundland Power**

2 Newfoundland Power currently has a pension plan and Group RRSP for those hired  
3 prior to May 4, 2004 and a Group RRSP for those hired after May 4, 2004.

4 Employees hired prior to May 4, 2004 are eligible for the defined benefit pension  
5 plan which requires employees and employers contribute equally 3.3% of the  
6 employees' salary up to the YMPE and 5% for earnings above the YMPE. In  
7 addition, these employees are eligible for a Group RRSP, where the employee and  
8 employer equally contribute 2% of annual straight time earnings. Employees hired  
9 after May 4, 2004 and based on their employment status employees are eligible to  
10 participate in a Group RRSP where the employee and employer both contribute  
11 6.25% of the employees' base salary. Effective January 2021, the contribution  
12 amount will increase to 6.5%.

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**14 New Brunswick Power**

15 New Brunswick Power has a shared-risk pension plan, similar to a defined benefit  
16 plan however the benefit can be adjusted based on plan funding over the year.

17 Employees contribute 7.5% of pensionable earnings up to the YMPE and 10.7% of  
18 pensionable earnings above the YMPE. The employer contributes 12.5% of the  
19 employees' eligible earnings.

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**21 Emera**

22 Emera has a defined contribution plan which allows employees to contribute at  
23 various levels, which then determines the employer's contributions. The table  
24 below summarizes the contribution options available to employees:

**Table 1: Emera Defined Contribution Plan**

| Employee Contributions | Employer Contributions | Total Contributions |
|------------------------|------------------------|---------------------|
| 0%                     | 3%                     | 3%                  |
| 1%                     | 3.5%                   | 4.5%                |
| 2%                     | 4%                     | 6%                  |
| 3%                     | 4.5%                   | 7.5%                |
| 4%                     | 5%                     | 9%                  |
| 5%                     | 5.5%                   | 10.5%               |
| 6%                     | 6%                     | 12%                 |

- 1 **Maritime Electric**
- 2 Maritime Electric provides a Restricted Group RRSP plan for its employees.
- 3 Employees contribute 6.5% of their salary which is matched by the employer.