
Inflation Protection Bonus

The Following Notice Applies to all eligible CAMI Hourly Employees:

On December 14, 2023, if eligible, you will receive an Inflation Protection Bonus of up to \$2,000 less applicable deductions on your pay statement.

Under your group Registered Retirement Savings Plan (RRSP) with Canada Life, you may elect to direct all or a portion of your Inflation Protection Bonus to a personal and/or spousal RRSP account. Contributions directed to an RRSP will be on a pre-tax basis. Required payroll deductions such as CPP, EI premiums, garnishments, healthcare, etc will be deducted from the Inflation Protection Bonus amount, if applicable. If you do not have enough gross pay to cover these required deductions after your election request has been made, your Inflation Protection Bonus election will not occur, and you will be paid out your bonus in cash less applicable taxes and deductions.

You may also consider an investment in the Tax-Free Savings Account (TFSA) and/or the Non-Registered Savings Plan (NRSP) with Canada Life. Contributions to the TFSA are made with after-tax dollars but income earned is tax sheltered. The NRSP is a non-tax-sheltered account.

Your Inflation Protection Bonus election to your RRSP, TFSA and/or the NRSP must be a flat dollar amount (not a percentage) and may not exceed \$2,000 or the net of the \$2,000 minus your mandatory deductions, if no other income is earned in that pay.

Example of a scenario where the Inflation Protection Bonus direction will not occur:

Employee only has the \$2,000 Inflation Protection Bonus and has no other income to cover the required EI/PPP/garnishments and other deductions. They have not reached EI or CPP maximums. In addition, they elect to tax defer the entire \$2,000 to an RRSP. After EI/PPP/other deductions are deducted from the bonus, there will not be enough money left to cover the entire \$2,000 RRSP election and therefore the Inflation Protection Bonus amount cannot be sent to Canada Life and the employee will receive the net bonus as cash on their paycheque minus the required income tax and other deductions.

Gross Inflation Protection Bonus of \$2,000 (numbers are for illustration purposes only)

- EI on BONUS \$85
- CPP on BONUS \$55
- Other deductions \$33

NET amount remaining to deduct the RRSP from = \$1,827

–therefore, there is **not enough bonus remaining** to take \$2,000 RRSP deduction resulting in the amount being taxed and paid on the employee's paycheque as cash.

Please note: **RRSP deductions are all or nothing deductions.**

As a group savings plan member, you benefit from lower investment management fees, compared to the industry average and can have convenient payroll deductions of your contributions go directly into your savings account.

Should you wish to participate, you **must call** Canada Life or **go to your online account (mycanadalifeatwork.com)** to make your election during the period **November 21st – December 5th, 2023**. Please note that your Inflation Protection Bonus election must be made with Canada Life no **later than December 5th, 2023 4pm EST**.

If you do not have a savings plan (RRSP, TFSA or NRSP) with Canada Life and wish to participate, please enroll online **no later than December 5th 2023 4 pm EST, to set up your account(s)**.



Please call Canada Life directly at 1-800-724-3402 if you require assistance with setting up your savings account(s) or with directing your Inflation Protection Bonus to your savings account.

For inquiries relating to your pay statement or payroll deductions please contact the Shared Service Centre at gmnapopleservices.us@gm.com or by calling 1-800-930-9130.