Make the most out of your money with voluntary contributions to your pension plan

Here at Purolator, we believe in supporting our employees in their professional and personal success, which is why we offer a Defined Contribution (DC) pension plan. Through this plan, you and Purolator make contributions toward your pension.

If you haven’t already done so, consider signing up for voluntary contributions as early into the year as possible to maximize your annual Pension contributions. Choosing voluntary contributions is an easy and efficient way to save even more money for your retirement.

How the DC pension plan works

Understanding Purolator’s DC pension plan is as easy as 1-2-3:

1. Purolator automatically contributes 3.5% of your eligible earnings to your DC pension account. Eligible earnings include your annual base salary and, if applicable to your job level, your annual incentive, sales commission and overtime compensation.

2. From there, you can choose to make a voluntary contribution of up to 11.5% of your eligible earnings to your DC pension account. The benefit of making a voluntary contribution is that Purolator will match your contribution by $6^{2/3}$, up to the 3% of your contribution. Therefore, making a 3% voluntary contribution will capture the maximum matching contribution from Purolator, which is 2% of your eligible earnings.

3. But the buck doesn’t stop there. As a further bonus, if Purolator as a company achieves its annual Earnings Before Tax (EBT) target, it will increase its matching contribution from $6^{2/3}$ to a full 100% of your voluntary contribution, making the total company matching contribution at 3% of your eligible earnings.

Examples of DC pension plan contribution Scenarios

Scenario 1: DC pension plan without employee voluntary contributions
Jane Doe’s annual eligible earnings at Purolator are $50,000. However, she has not signed up for employee voluntary contributions. Therefore, the only contribution into her pension from Purolator this year will be the core contribution of 3.5% ($1,750).
Scenario 2: DC pension plan with employee voluntary contributions
John Smith on the other hand, whose annual eligible earnings are also $50,000, decides to make a voluntary contribution of 3% ($1,500) of his eligible earnings toward his DC pension plan. As a result, in addition to Purolator’s core contribution of 3.5% ($1,750), Purolator will match John’s contribution by 66 2/3% ($1,000). In this case, John is maximizing Purolator’s contribution to his pension plan at 5.5% of his eligible earnings (3.5% core contribution and a 2% match), bringing the total company contribution to $2,750. John only invested $1,500 and received $1,000 more toward his pension than he would have if he had not made a voluntary contribution. Talk about a lucrative return on investment.

Scenario 3: DC pension plan with employee voluntary contributions and EBT top-up
Now let’s take a look at how John’s DC pension plan contribution would change upon Purolator achieving its annual Earnings Before Tax (EBT) target. Since Purolator met its EBT target, it will match an additional 33 1/3% of John’s contributions (bringing the total match contribution to 100%) up to a maximum match of the first 3% of his eligible earnings. In this case, John’s contribution to his pension plan is even higher - 6.5% (3.5% core contribution and a 3% match) of his eligible earnings, bringing the total company contribution to $3,250. John only invested $1,500 and received $1,500 more toward his pension than he would have if he had not made a voluntary contribution. Now that’s a win-win situation – the company met its EBT and John received a 100% return on his investment!

How can I maximize my DC Pension Plan & not leave anything on the table?

Sun Life Client Care Centre representatives are available to answer your questions at 1-866-881-0583 any business day from 8 a.m. to 8 p.m. ET.