

## How does retirement affect your CPA designation?

If you are thinking of retiring from your job, it's important to understand how your retirement affects your CPA designation. Your designation took significant effort to obtain and there are a few steps you must follow when you leave the work force.

### Requirements under *The Accounting Profession Act*

CPA Saskatchewan exists under the authority of *The Accounting Profession Act, 2014*.

The Act prescribes responsibility for both registrants and the Institute, and CPA Saskatchewan's procedures reflect those requirements. Members must be aware that retiring from a 'job' does not end the member's responsibility to the public or to the profession.

As long as you are a member, CPA Saskatchewan is obligated to assure the public of your competency. Some members incur late fees and risk potential suspension by assuming that they are exempt from requirements because of retirement. You can avoid this by being aware of the following:

#### 1. The Difference between Retirement and Resignation

Members do not retire from the profession or CPA membership. The question is – are you ceasing practice? When you cease practice, you may:

- maintain your membership by paying full fees and complying with all requirements under *The Act*, Bylaws and Rules; **or**
- apply on an annual basis for a Permanent or Temporary Non-Practice, or a Special Circumstances exemption or reduction in fees. These statuses reduce your fee and/or CPD requirements but **you retain compliance and annual reporting requirements**. Whether or not you are eligible for such an exemption or reduction depends upon your specific circumstances each year (*just because you retire from paid employment does not mean you automatically qualify!*); **or**
- resign your membership, return your certificate, and be released from all reporting requirements.

#### 2. The Definitions of 'Professional Accounting' and 'Practice of the Profession'

A member who provides professional accounting services that reference the CPA Canada Handbook under Section 18 of *The Act* (e.g., authorizing the issuance of an audit, review, other assurance, or compilation engagement report) is not eligible for an exemption, even if the services are provided on an unpaid or volunteer basis. Firm registration and licensure with CPA Saskatchewan are required to provide these services, even to a single client for no compensation. Please email [licensing@cpask.ca](mailto:licensing@cpask.ca) for further information.

If you provide other **professional services** to or for the benefit of a client related to the technical competencies as set out in the CPA Canada Competency Map, including Strategy and Governance, Management Accounting, Finance, and Taxation, you are not eligible for an exemption, as firm registration is generally required. However, if you qualify for an exemption

from the requirement to register a firm (e.g., you provide these services strictly on an unpaid volunteer basis or to three (3) or fewer clients) **and** if you fall under one of the Income Thresholds (see #4), you may apply for a reduction in fees.

If you have any questions on your eligibility for an exemption, please email [registrar@cpask.ca](mailto:registrar@cpask.ca).

### 3. Permanent and Temporary Non-Practice Status Exemption Criteria

Members who cease practice may apply online for a Permanent or Temporary Non-Practice Exemption during Spring Renewal each year. The deadline is April 30. Members who cease practice **by June 30** of the current year are eligible; fees are not pro-rated for the year.

'Permanent' and 'Temporary' refer to your intentions about returning to practice at the time you apply for the exemption. Permanent does not mean that you never have to file another declaration. It means that your intention at the time of your request is not to return to practice. Once you receive approval, you no longer owe fees, and you must use '**non-practicing**' when you refer to your designation. You must complete the Spring Renewal declarations annually, and you must advise CPA Saskatchewan should your circumstances change.

A Temporary Non-Practice Exemption is available if the member ceases practice for a period of at least twelve (12) consecutive months. Once you receive approval, you no longer owe fees, and you must use '**non-practicing**' during the period of cessation when you refer to your designation.

### 4. Income Thresholds and Special Circumstances

CPA Saskatchewan recognizes that retirement may mean more opportunity to get involved in your community or maintain some business relationships.

Members that do not meet the criteria for a non-practice exemption above and who earn less than \$15,000 in professional income from services which do not require registration as a firm or a licence may apply to be exempt from fees and CPD.

Members that do not meet the criteria for a non-practice exemption above and who earn professional income in the range between \$15,000 and \$40,000 from services which do not require registration as a firm or a licence are eligible for a fee reduction but are still required to fulfil the minimum requirements for CPD. CPA Saskatchewan offers CPD courses at a reduced cost for CPAs approved for an exemption under special circumstances.

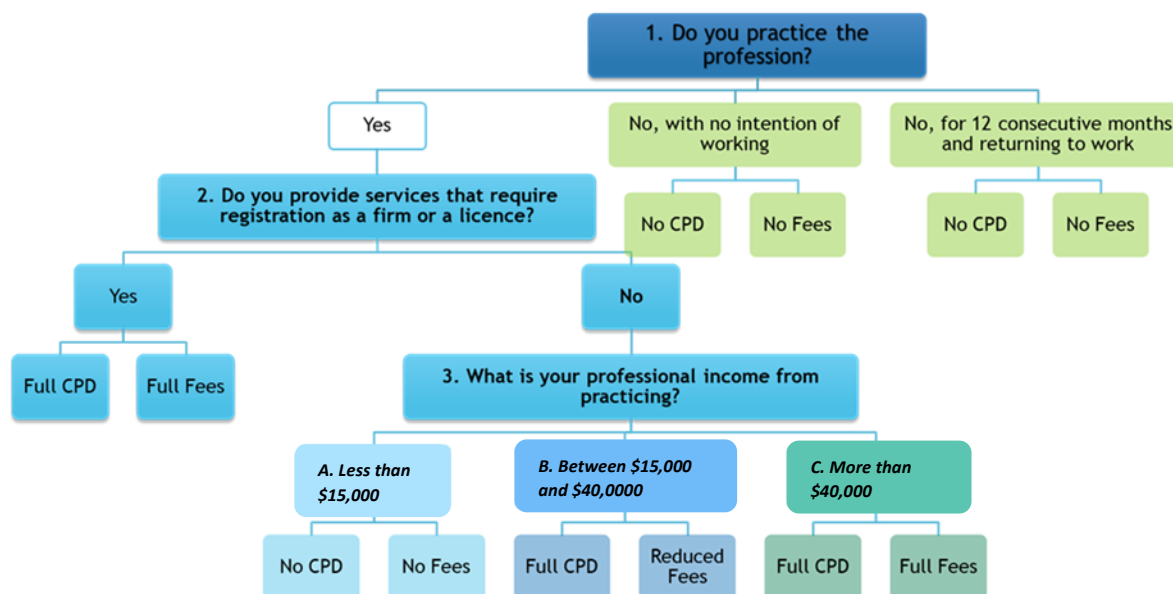
Members that earn more than \$40,000 in professional income are not eligible for an exemption or reduction to fees or CPD.

Professional income is based on gross earnings from professional services during a calendar year.

CPA Saskatchewan may request documentation to support the basis for an exemption or reduction. Members are required to retain supporting documentation for two (2) years for this purpose.

Members may request consideration of extenuating circumstances when they cannot obtain a non-practice exemption because they earn professional income above the thresholds discussed above.

Please refer to the chart below that outlines the various pathways to an exemption or reduction in fees and CPD requirements.



## Deadlines for CPD and Member Renewal

It is important to remember the deadlines and CPD requirements, even after your retirement. To avoid late fees and ensure your exemption approval:

1. Maintain compliance with CPD requirements, including the three-year reporting cycle, up to your cease practice date. Some members reduce CPD hours in anticipation of retirement but fail to request an exemption prior to the April 30 deadline. You must make a submission to the Registration Committee for an exemption to CPD for the prior year before the Registrar may approve a Non-Practice Exemption or resignation request.
2. Ensure any outstanding fees are fully paid prior to requesting an exemption or resignation.

Also, keep in mind that if you receive a Permanent or multiple Temporary Non-Practice Exemptions and subsequently return to practice at some point in the future, you must submit a plan to meet CPD requirements at that time.

## 5. Maintain Contact with CPA Saskatchewan

You must update your contact information with CPA Saskatchewan, especially after you move into retirement. If you continue to be a member, ensure that:

- your preferred email on file with CPA Saskatchewan is one that you check regularly;

- your email settings do not reject CPA Saskatchewan emails or send them to your junk folder; and
- your telephone number is current.

## 6. Be Aware of Ongoing Requirements

Watch for the annual Spring Renewal notice in April of each year and follow the instructions on a timely basis. Although it may appear unnecessary if you never intend to return to practice, CPA Saskatchewan has responsibilities under *The Act* to monitor **all members** in order to maintain its responsibilities in the public interest and to assure the public of the knowledge, skill, proficiency and competency of all members.

During this past Spring Renewal, CPA Saskatchewan staff processed over 1,000 non-practice exemption and special circumstance requests. With changing demographics and high demand for CPA members' skills, many members move in and out of practice over time.

The annual declaration and exemption process permits members to maintain their membership on a non-practice basis with very minimal requirements while allowing CPA Saskatchewan to fulfil its responsibilities under *The Act*. Alternatively, a member may resign their membership. Reinstatement after resignation is not an insignificant task and may not be feasible.

With a bit of planning, awareness of requirements, and good communication, your transition into retirement can be very smooth.

Happy Retirement!