

To: Active plan members and employers
From: Public Service Pension Board of Trustees
September 15, 2014



Public Service
Pension Plan

New plan rule for members moving between most public safety roles and general public service roles

Effective June 24, 2014, the Public Service Pension Plan (plan) has a new plan rule in place that will change the benefit calculation for plan members moving between most public safety roles and general public service roles.

If, from June 24, 2014, until your retirement or termination, you remain in either a public safety role or general public service role and do not change your type of role, you will not be affected.

What the plan rule does

The plan rule ensures public safety employees, which include correctional employees and full-time BC Ambulance Service paramedics in the Canadian Union of Public Employees (CUPE) Local 873, remain eligible for the early-retirement reductions¹ earned while in those roles, even if they move to a general public service role before retirement.

From June 24, 2014, onward, if you work in both a public safety role and a general public service role, either at the same time or at different times, your retirement reduction will be calculated separately for each role and applied to a single pension. Your normal retirement age (NRA) will continue to be based on your role (public safety or general public service) at retirement.

Example

Jennifer, a plan member, works five years as a corrections employee, from 2010 to 2015 and an additional five years in a general public service role, from 2015 to 2020, before retiring at 57. For her five years' service as a corrections employee, her pension benefit will be unreduced as she is retiring later than age 55. For her five years' service in a general public service role, her pension benefit will be based on a reduction factor for the three years she retires before 60. Her pension will be provided as a single monthly payment.

¹ For detailed information on retirement reductions, see *A Guide for Plan Members*, available at pspp.pensionsbc.ca, and read the "What is my reduction?" section.

All service up to and including June 23, 2014, no matter in what employment group, is considered to be with the group you were working in on June 23, 2014.

Example

Bob, a plan member, works for 10 years as a general public service employee, from 1995 to 2005, and a further 15 years as a corrections employee, from 2005 to 2020, before retiring. Because he is a corrections employee as at June 23, 2014, his entire 25 years of service is considered to be with the public safety group.

There is nothing you need to do because of this plan rule. You may, however, find this information valuable in making your career decisions should you move from one group to another.

Why the plan rule change was made

The plan rule change was made to improve equity in the plan between employees in different employment groups.

The plan rule change was initiated by the Public Service Pension Plan partners: the British Columbia Government and Service Employees' Union (BCGEU) and the provincial government. The Public Service Pension Board of Trustees approved the plan rule on June 24, 2014.

What's next?

The plan is working to ensure you are provided all the information necessary about this plan rule.

The *Member's Benefit Statement* you receive this September is accurate up to the March 31, 2014, statement date.

Members who change employment groups after June 24, 2014, and are within six months of retirement, should contact the plan directly for a pension estimate as the on-line estimator may not be an accurate reflection of your future benefit.

For additional information

For more information about the plan rule as well as examples, please visit the FAQ web page at pspp.pensionsbc.ca.

Additional information will be coming over the following months; keep an eye on the plan's website and for bulletins sent from your employer. If you have immediate questions please contact the plan at:

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Victoria: 250 953-3033

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