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4 RETIREMENT

This section provides information on getting members' pensions started, whether the member is going directly from Municipal Pension Plan employment to retirement, or the member terminated employment from the plan earlier and now wants the pension payments to begin.

How members get information about their pensions

- The Municipal Pension Plan offers regularly scheduled webinars to members. Check our website at mpp.pensionsbc.ca for more information.
- Members can use the personalized pension estimator, available through My Account on our website, to create pension estimates based on their current service and salary information.
- Members can also review their annual *Member's Benefit Statement*, which provides a summary of pension information.
- Members can request a detailed, researched estimate of their various pension options.
- When a member is within four months of the retirement benefit effective date, they can request a retirement application package from the plan.

The retirement benefit

The Municipal pension formula results in a retirement benefit, but a member may choose other options that will continue to be paid to a beneficiary after their death.

Group health benefits

Group benefits are **not** guaranteed.

Retiring members of the Municipal Pension Plan may apply for the extended health care plan and/or the dental plan. Depending on a plan member's years of pensionable service, premium subsidies may be available from the plan.

All health and dental benefits are dependent on there being enough money in the pension plan account used to fund group benefits. As a result, the subsidy rates and group benefits currently available to retired members are not guaranteed features of the plan.

Effective January 1, 2020, Medical Services Plan (MSP) premiums are being eliminated. The Municipal Pension Plan will no longer administer MSP for retired members.

ABOUT THE RETIREMENT BENEFIT

4.1 Eligibility for a pension

A member is eligible for an immediate pension when they reach age 55 (50 for public safety employees). Different rules apply for members who were not vested and terminated before September 30th 2015.

A member who is eligible for an immediate pension may choose to defer starting the pension until a later date.

A member who is considering deferring their retirement benefit should be advised to contact us for information.

Age 55 (50 for public safety employees) is known as “earliest retirement age.”

If a member is receiving benefits under an LTD plan and their benefits end, they may be eligible to apply for a pension. The member has two choices:

- Receive an immediate pension (refer to Age Rules for Benefit Eligibility in section 3.2), and if their group disability benefits are reinstated by the carrier at a later date, they must notify the Pension Corporation and repay to the plan (in a lump sum), the total amount of the pension paid during the reinstated period, plus interest.
- Choose not to receive an immediate pension because they are appealing the termination of their group disability benefits. They should complete the *Termination of Group Disability Plan Benefits* form available by contacting the pension plan, and indicate they are appealing, along with their application for pension. This determines their retirement benefit effective date if their appeal is unsuccessful.

If a member accepts a lump-sum payment to settle a group disability plan claim, the member is not eligible for a disability benefit from the plan. This does not affect the member's right to termination or retirement benefits.

Once becoming a member of the pension plan, the employee must continue to contribute until termination of employment or the end of the year they turn 71. This means your employees aged 71 may continue working without interruption, but you must stop collecting pension contributions from them.

Even though they may still be working, please submit employee termination/retirement information using the online tool within 14 days of termination or as soon as the final payroll have been completed.

Submission of this form activates the retirement process. Select "retirement" on the form and complete all fields required including benefits.

After submitting their employee information at termination/retirement using the online tool, final salary, service and contributions up to November 30 must be reported on your payroll report.

EXAMPLE

If you have an employee born in 1946 who turns 71 in 2017, stop collecting contributions for them effective November 30, 2017—even if they turn 71 in December. Your Payroll Report must not include service, salary or contributions for this employee beyond November 30.

We send your employees a pension estimate and retirement application package the year they turn 71. Please ensure we have their current address. If your employee has recently reported an address change, ask them to use My Account to update their personal information with the pension plan.

4.1.1 Termination of employment

Under the Municipal plan rules, members must terminate all employment with Plan employers to be eligible to receive their retirement benefit. However, if a member has terminated employment with all Plan employers, applies to retire but returns to work with you or another plan employer before their retirement benefit effective date, the member has two options:

- the member can cancel their retirement benefit and recommence contributions to the plan, or
- they can choose to receive their retirement benefit and not recommence contributions.

EXAMPLES

A member terminates their employment on August 15, 2011, applies for their retirement benefit and is set to retire on September 1, 2011 from Employer A. The member begins employment with Employer B on August 20, 2011. The member is still eligible to receive their retirement benefit on September 1, 2011 because they applied for their retirement benefit before they returned to work with a different Plan employer. Alternatively, they could elect to cancel their retirement benefit and recommence contributions to the plan with Employer B.

A member terminates their employment on September 15, 2011 from Employer A, applies for their retirement benefit and is set to retire on October 1, 2011. The member returns to employment with Employer A on September 22, 2011. The member is still eligible to receive their retirement benefit on October 1, 2011 because they applied for their retirement benefit before they returned to work with the same employer. Alternatively, they could elect to cancel their retirement benefit and recommence contributions to the plan with the same employer.

For information about re-employment of a retired member, see section 1.7.

4.2 Pension formula

The Municipal Pension Plan is a defined benefit pension plan, meaning that a member's retirement benefit amount is determined by a set formula. The formula is a set percentage multiplied by the member's highest average salary (HAS) and the member's pensionable service in the plan.

If a member is employed in both non-public safety and public safety occupations in the plan, they may be affected by the Separate Pensions Benefit provisions. Please contact the Municipal Pension Plan for more information.

The pension is made up of two separate components: the retirement benefit and the bridge benefit. Retirement benefits are paid for the member's lifetime, and benefits may continue to be paid to another person after the member's death, depending on the pension option the member chooses at retirement (see section 4.3). The bridge benefit pays from the time a member starts to receive their retirement benefit until age 65 or the member's death, whichever occurs first.

Members who move from Group 2 to Group 5 will have their basic pension calculated using the Group 2 accrual rate of 1.3% / 2% for all service prior to the date the member joined Group 5, and 1.63% / 2.33% for all Group 5 service. The bridge benefit will be calculated using the member's combined Group 2 and Group 5 service.

FORMULA (MEMBER IN GROUP 1 OR GROUP 2)

Retirement benefit

$1.3\% \times \text{HAS (up to and including the YMPE)} \times \text{years of pensionable service}$

PLUS

$2.0\% \times (\text{HAS over the YMPE}) \times \text{years of pensionable service}$

Bridge benefit

$0.7\% \times (\text{HAS up to and including the YMPE}) \times \text{years of pensionable service}$

The formula can also be expressed as $2\% \times \text{HAS} \times \text{years of pensionable service}$ less the bridge benefit of $0.7\% \times (\text{lesser of HAS or YMPE}) \times \text{years of pensionable service}$.

FORMULA (MEMBER HAS MOVED FROM GROUP 2 TO GROUP 5)

Retirement benefit

If a member is employed in a public safety occupation, the member may have service under both the 2% formula and the 2.33% formula.

1.3% × HAS (up to and including the YMPE) × years of pensionable service earned under the 2% formula

PLUS

2.0% × (HAS over the YMPE) × years of pensionable service earned under the 2% formula

PLUS

1.63% × HAS (up to and including the YMPE) × years of pensionable service earned under the 2.33% formula

PLUS

2.33% × (HAS over the YMPE) × years of pensionable service earned under the 2.33% formula

Bridge benefit

0.7% (HAS up to and including the YMPE) × total years of pensionable service earned under the 2% and 2.33% formula.

The member receives both retirement and bridge benefits up to age 65. At age 65, the bridge benefit stops and the member's retirement benefit amount drops to just the pension amount.

4.3 Pension options

Members may change their pension option by informing the plan, in writing, within 60 days of the date their retirement benefit is granted.

The pension that results from the pension formula is payable as the “normal form” of pension. The normal form of pension in the Municipal Pension Plan is a single life pension with no guarantee. This pension:

- is paid for the lifetime of the member,
- stops at the member's death,
- does not carry on to another person, and
- has no minimum payment guarantee.

A plan member may choose another pension option that offers a different level of guaranteed payment.

Single life pensions with a guarantee are pensions that pay for the life of the member and for a set guarantee period if the member dies before the end of the guarantee period. The guarantee period may be 5, 10 or 15 years. If the member dies before the end of the guarantee period, the rest of the benefit is paid to the member's beneficiary(ies), or estate if no beneficiary exists. For more information see [1.2 Nomination of Beneficiary\(ies\)](#).

If the member dies after the end of the guarantee period, no payments are made to the member's beneficiary(ies) or estate.

Joint life pensions pay for the life of the member and the member's spouse; if the spouse lives longer than the member, the spouse continues to receive a benefit.

A member who has a spouse must select an option that guarantees that at least 60 per cent of the member's pension will continue to the spouse after the member's death, unless the spouse waives entitlement, in writing.

Temporary annuities (TA) are temporary pension payments from retirement to age 65 or the member's death, whichever occurs first. This option provides for an increased pension from retirement to age 65 but permanently reduces the retirement benefit.

When a member selects an optional form, or combination of optional form with a TA, the monthly amount of the "normal form" of pension is actuarially reduced to pay for the guarantee. In general, the longer the guarantee period, the lower the monthly amount. The bridge benefit is the same regardless of the optional form selected.

A member who has a spouse must select an option that guarantees at least 60 per cent of the member's benefit will continue to the spouse after the member's death, unless the spouse waives entitlement, in writing.

Choosing a pension option

Here are some things the member should consider when choosing an option:

- Does the member have a spouse?
- Does the member wish to provide a payment to their beneficiary(ies) after death?
- If the member divorces, does that former spouse have an entitlement to a portion of the pension?
- What if the member is widowed with dependent children?

- What if the member or their spouse becomes ill?
- Are there other sources of retirement income?
- Does the member have service in both a public safety occupation and a non-public safety occupation? These members must select the same retirement benefit effective date and pension option for their public safety pensions (Group 2 and Group 5). However, they can select a different retirement benefit effective date and pension option for their non-public safety pension.

For more information on this topic: mpp.pensionsbc.ca/choose-your-pension-option.

4.4 Reduced and unreduced pensions

The member's retirement benefit will be reduced if the member does not meet certain age and service minimums. These reductions apply to both the retirement benefit and the bridge portions of the pension.

All members are entitled to a pension at age 55 (50 for public safety employees) but may be subject to reductions based on certain criteria, and the criteria may have different impact on the reduction.

For members other than public safety employees, pensions **will not** have any reductions if:

- The pension starts at age 65 or later, or
- The member's age and contributory service add up to at least 90. (This is called the "rule of 90" or the "age plus service rule".)
- The pension starts at age 60 or later, and the member has two years or more of contributory service.

For members who are employed in public safety occupations, pensions **will not** have any reductions if:

- The pension starts at age 60 or later, or
- The members' age and service add up to at least 80. (This is called the "rule of 80" or the "age plus service rule".)
- The pension starts at age 55 or later, and the member has two years or more of contributory service.

The member's retirement benefit will be reduced by three per cent **for each year that the sum of the member's age plus years of contributory service is less than 90 (80) or for each year under age 60 (55), whichever provides the lesser reduction**, provided the member meets the following criteria:

- The member has at least 10 years of contributory service
AND
- The member is at least age 50 (45 for public service) at date of termination of employment

OR

- The member is at least age 55 (50) at the date of termination of employment with at least two years of contributory service.

If the member terminates employment at or after age 55 (50) with fewer than two years of contributory service, the pension will be reduced three per cent per year **for every year under age 65 (60)**.

In all other situations the reduction is five per cent.

If the member terminated employment before September 30, 2015, reductions are determined by the rules in effect at the time the member terminated employment.

4.5 When a member is retiring

When a member is **planning to retire**, they may apply for retirement by signing in to My Account at mpp.pensionsbc.ca.

When members have not yet reached retirement age or are not sure of when they wish to retire, there are several resources available to provide them with a pension estimate (see below).

Terminated members with contributions on deposit may contact us for an estimate.

4.5.1 Member's Benefit Statement

We provide each active member an annual *Member's Benefit Statement*. Statements will be sent to you for distribution.

The statement gives current and future pension estimates, and gives a summary of the member's contribution and service history in the plan.

4.5.2 Online pension estimator

Members can do their own pension estimate by signing in to My Account at mpp.pensionsbc.ca to access the personalized pension estimator, which has been loaded with each member's current service and salary information.

The information entered can be modified to create estimates for a number of different scenarios, including:

- retirement dates,
- salary, and
- service assumptions, including purchases.

See section 4.6 for limitations on calculations.

4.5.3 Retirement webinars

The plan provides a pension webinar for its members. The webinars are regularly scheduled or may be requested by employers and employer/employee associations. Members can find a description of the webinar, the schedule and register on the plan website.

All members are welcome to attend, including those receiving benefits under an LTD plan.

4.5.4 Additional information about the pension plan

Pension plan resources can be viewed on the plan's website. Members can contact the pension plan with questions they may have about pensions. Please see the contact list in the front of this manual for details.

4.6 Retirement planning and application

When a member is going to retire, they can access the personalized pension estimator on our website. The estimator allows members to choose as many pension scenarios as they wish. The amount shown on the estimator can help the member plan their retirement, unless there are circumstances that may affect their benefit (e.g., they have a marital breakdown, have received long-term disability service during their career, is a member of group 5 or have service in another plan). Members who cannot perform a calculation on the estimator, or who have circumstances that

could affect their pension calculation (as stated above), should obtain a *Retirement Planning Package and Estimate Request* (see Retirement Planning).

Members should also be encouraged to attend a retirement webinar. Members can view the schedule and register on the plan website.

The retirement process is two steps—**Planning** and **Application**.

Retirement Planning—member can sign in to My Account at mpp.pensionsbc.ca to apply for retirement online or contact the pension plan by telephone or email.

If the member does not have access to the internet or if they are unable to perform an estimate on the personalized pension estimator, they should contact the pension plan.

Retirement application—when the member applies online for retirement through My Account, they have the opportunity to request an estimate, research options and if required, contact the pension corporation prior to submitting their application.

You will need to submit Employee Information at Termination/Retirement online. You will need to provide us with the member's termination date, group benefit cancellation dates if applicable and the final salary, service and contribution information. You need to submit this data to the Municipal Pension Plan within 14 days of termination or as soon as the final payroll has been completed. The salary, service and contributions reported must be the same as those that appear on the Payroll Report.

4.7 To start the pension

Pensions are not paid for partial months.

Once a member is within 90 days of their actual retirement date they should either use My Account to apply online for retirement or contact the pension corporation to obtain a paper application package. Members should complete and submit these forms only if they are definitely retiring.

The member's last paid day is recommended to be as close to the end of a month as possible because pension entitlement begins the first of the month following the last paid day.

We will not accept *Spousal Declaration* or *Form 2: Spouse's Waiver of 60% Lifetime Survivor's Benefit and/or Beneficiary Rights From a Pension Plan or Annuity After Payments Start* forms if they are dated more than 90 days before retirement.

You must submit Employee Information at Termination/Retirement online, within 14 days of termination or as soon as the final payroll has been completed. Sign in to the Employer Login section of the website; select Employer Reporting and then select Employee Information at Termination/Retirement. Follow the prompts to enter the data. Print a copy for your records and a copy for the employee. You can also select the EITR Submitted Report to view all the member information you have submitted within a specific time frame.

If you determine that the data needs to be amended, you will need to complete and send the *Amended Employee Information at Termination/Retirement* form as soon as possible. This form is available in the Employer Forms section on the plan website.

The member's retirement benefit is effective the first day of the month following their final paid work day, or the first day of the month in which we receive their completed application, whichever is later.

Pension payments are normally deposited two banking days before the end of the month.

4.7.1 Pension estimate

Members can request a pension estimate by signing in to My Account. The estimate gives them the estimated retirement benefit amount payable under the various pension options.

Refer to the Types of Pension Summary on page 4-23 for more information.

The following pension options are the standard options given on the pension estimate, and apply to the retirement benefit only. These options do not affect the bridge benefit.

4.7.2 All members

- **Single life pension, no guarantee (normal form):**
A pension that is payable for as long as a member lives, but does not provide any pension benefits after the member's death. Payments stop at the end of the month in which the member dies.
- **Single life pension guaranteed 5 years:** A pension that is payable for as long as a member lives. If the member dies before the completion of 60 payments (five years), their beneficiary(ies) will continue to receive payments until 60 payments have been made. No payments are made to the beneficiary(ies) if the member dies after the five-year guarantee period.
- **Single life pension guaranteed 10 years:** A pension that is payable as long as a member lives. If they die before the completion of 120 payments (ten years), their beneficiary(ies) will continue to receive payments until 120 payments have been made. No payments are made to the beneficiary(ies) if the member dies after the ten-year guarantee period.
- **Single life pension guaranteed 15 years:** A pension that is payable for as long as a member lives. If they die before the completion of 180 payments (15 years), their beneficiary(ies) will continue to receive payments until 180 payments have been made. No payments are made to the beneficiary(ies) if the member dies after the 15-year guarantee period.

Refer to the Types of Pension Summary on page 4-23 for more information.

In addition to the pension option chosen, the member receives a bridge benefit that is paid until the member reaches age 65 or dies, whichever occurs first. The bridge benefit always stops when the member dies.

4.7.3 Members with a spouse

“Spouse” as defined in the *Pension Benefits Standards Act* means:

- the person you are legally married to and, for the two-year period immediately before the relevant time (e.g., retirement or death), were not living separate from; or, if this does not apply,
- the person, of the same or opposite sex, who has lived and cohabitated with you in a marriage-like relationship for the two-year period immediately before the relevant time.

A member who has a spouse must select an option that ensures a minimum of 60 per cent of the member’s retirement benefit portion of the pension will go to the spouse on the plan member’s death, unless the spouse waives this right.

- **100% joint life last survivor pension (JLLS):** 100 per cent of the retirement benefit is payable for the life of the member and the spouse. The pension stops being paid after the death of the last survivor.
- **100% joint life last survivor pension (JLLS) plus temporary annuity:** 100 per cent of the benefit is payable for the life of the member and the spouse, plus a temporary annuity equivalent to the old age security benefit payable to the member between retirement and the earlier of age 65 or death.
- **60% joint life contributor death (JLCD) pension guaranteed 10 years:** 100 per cent of the retirement benefit is payable for the member’s lifetime. If the member dies within the guarantee period, 100 per cent of the benefit continues to be payable to the spouse until the guarantee period expires and then reduces to 60 per cent for the life of the spouse. If the member dies after the guarantee period expires, 60 per cent of the benefit is payable for the lifetime of the spouse.

Members may also request additional optional forms of a pension for consideration, including:

- different combinations of single or joint life options with temporary annuities,
- percentages for the JLCD pension other than 60 per cent, and
- no guarantee or a 5-, 10-, or 15-year guarantee on the JLCD pension.

EXAMPLE

A member may choose a 50 per cent JLCD pension with a 15-year guarantee.

If the member does not have a spouse, a single life pension guaranteed five years with a temporary annuity is also quoted automatically.

The joint life pension options are only available to members with a spouse, or a former spouse entitled by a written agreement or court order to joint life benefits from the member's pension plan.

4.7.4 Nomination of beneficiary

Pension options with guarantee periods (as described above), whether chosen as single life pensions on their own or as part of a joint life contributor death option, provide that a benefit be paid after the member's death.

A member can name a beneficiary(ies) to receive any payments remaining if the member dies prior to the end of the guarantee period.

- If a member has a spouse and the spouse has not waived entitlement, the spouse is automatically the member's beneficiary.
- If there is no spouse, or the spouse has waived entitlement, the member may nominate another beneficiary(ies). If a beneficiary is under 19 years of age (a minor) at the time of the member's death, any benefit is paid in trust for the minor beneficiary.
- If the member has no spouse, or the spouse has waived entitlement, and the member has not nominated any other beneficiary(ies), any benefits remaining in the guarantee period are paid as a lump sum to the member's estate.

The nomination of beneficiary(ies) at retirement is separate from any pre-retirement beneficiary nomination the member may have made with respect to pre-retirement survivor benefits. A beneficiary nominated for pre-retirement survivor benefits will not automatically become a beneficiary for the pension.

If a member chooses a joint life option, including combination joint life guarantee options, the beneficiary chosen at retirement must be the spouse and cannot be changed, although the member can nominate an alternate for the guarantee portion in case the spouse dies before the member.

If the spouse has waived their right to 60 per cent of the pension and the member has selected a single life option, then the spouse is the beneficiary during the guarantee period unless stated otherwise on the waiver form. If the spouse allows the member to elect other beneficiary(ies), the member may change beneficiary(ies) at any time prior to their (member's) death or the end of the guarantee period.

If the member does not have a spouse and chooses the single life guarantee option, they can change the beneficiary(ies) at any time prior to their (member's) death and the end of the guarantee period.

At the time the benefit is to be paid, we will require:

- the social insurance number and date of birth of any person beneficiary, and
- the CRA registration number of any beneficiary that is an organization.

4.7.5 Automated direct deposit system

The accuracy of the member's banking information is critical in ensuring that pensions are paid on time.

Retirement benefit payments are deposited directly into the member's bank account if the member lives in Canada or the U.S. Direct deposit of pension payments to banks outside of Canada or the U.S. is not possible.

The deposit information is provided by the member when they sign in to My Account and apply online for retirement. If the member wants their retirement benefit payment deposited to a U.S. bank, they will need to submit a *U.S. Direct Deposit Authorization* form available at mpp.pensionsbc.ca/submit-a-form-to-update-your-bank-account-information. If the payment is to be deposited to an account on which cheques can be issued, a sample cheque should be attached and clearly marked "VOID" on the face of the cheque.

If a voided cheque is not provided, the member must take the application form to their bank and have a bank official verify/complete the banking data before submitting the application.

4.8 After the pension starts

4.8.1 Changing the pension option

Members may be able to change their pension option by informing the Municipal Pension Plan in writing, within 60 days after their retirement benefit has been granted. After that time, the pension option selected is irrevocable. The date a pension is granted is the later of:

- the effective date of the pension, or
- the date of the letter advising the member of their final pension amounts.

Members can contact the plan if they have questions about changing their pension option.

4.8.2 Cost-of-living adjustments (COLA)

Once a pension starts, it may be increased by cost-of-living adjustments. Once granted, a cost-of-living adjustment becomes part of the basic pension.

Future cost-of-living adjustments are not guaranteed. The Municipal Pension Board of Trustees annually considers all relevant factors to determine if a COLA will be granted. Future cost-of-living adjustments are granted at the discretion of the board, subject to the limits in the plan rules and the *Income Tax Act*. The plan rules provide that a COLA cannot exceed the increase in the CPI, nor can it exceed the amount of money in the plan's IAA.

Any cost-of-living adjustments the board grants are applied in January. COLA is pro-rated for pensions in effect less than one year and applies to the retirement and bridge benefit portions of the pension.

4.8.3 Income tax

Pensions are taxable. We will deduct income tax based on the amount we pay the member and from the information the member provides on their TD1(s). If the member has other sources of income, it's their responsibility to ensure they pay sufficient income tax.

Members should complete a new TD1 form if there is a change in their entitlement to personal tax credits. A member can choose to have additional tax deducted from their pension payments at any time, or can have their tax deductions lowered by completing a Form T1213 *Request to Reduce Tax Deductions at Source*.

Retired members should contact Pension Services if they need more information.

4.8.4 Changes to pension payments

Any time the amount of a pension payment changes (e.g., cost-of-living adjustments are applied, the member turns 65 and the bridge benefit stops, income tax changes), we will send a pension statement letter to the member notifying them of the change. We also send a pension statement letter to members each January and July.

4.8.5 Retroactive pay after retirement

Plan members can request to have retroactive salary paid after retirement treated as pensionable earnings. We will not amend a pension where the additional contributions are less than \$100 because of the insignificant impact on the pension created by the additional salary. Before automatically deducting contributions, you should ask the member if they want it treated as pensionable salary.

If contributions are deducted, the salary and contribution information should be reported on your annual *Payroll Report*. See section 7 for reporting instructions.

As with regular reports and remittances, do not deduct pension contributions from non-pensionable salary, such as payment in lieu of vacation or for overtime (see section 7). Contact us if you have questions concerning these payments and deductions.

4.9 Other retirement income

Remember, if the member has other sources of income, it's their responsibility to ensure that they pay sufficient income tax.

The Municipal Pension Plan is only one source of retirement income. Plan members may also have retirement income from other pension plans, income from personal retirement savings such as RRSPs or other investments, and income from federal government pension plans—the Canada Pension Plan (CPP) and old age security (OAS).

Payments of other types of retirement income do not affect the payment of pensions from the plan.

4.9.1 Canada Pension Plan (CPP)

The Canada Pension Plan is a pension plan administered by the federal government that is designed to replace a portion of employment income in case of retirement, death or disability. Most working Canadians contribute to CPP on employment income up to the year's maximum pensionable earnings (YMPE).

Benefits may be payable from age 60 if the member is no longer a contributor to CPP. Benefits will be reduced if the member starts receiving them before reaching age 65.

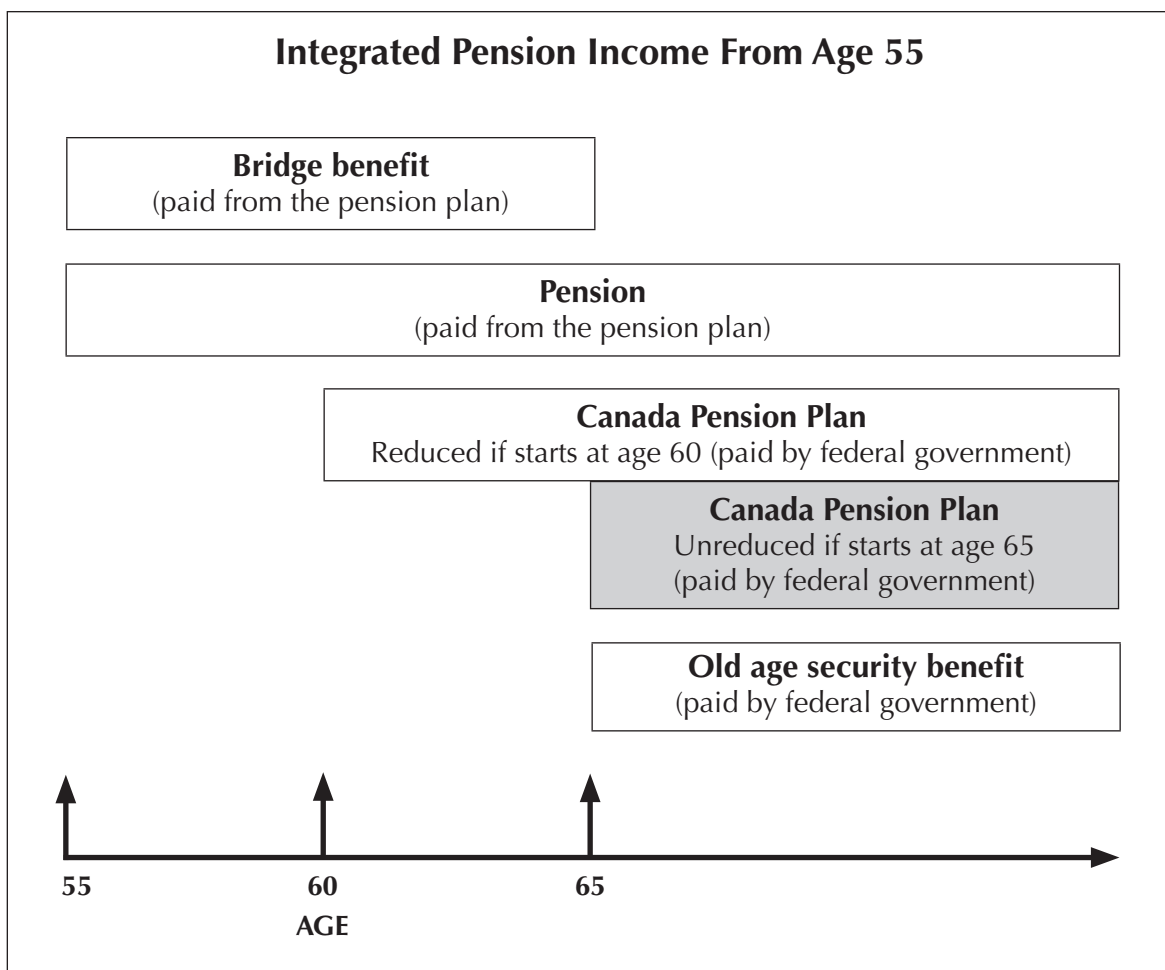
4.9.2 Old age security (OAS)

Old age security (OAS) is a federal income security program that provides basic pension income to all people who meet the residency requirements, starting at age 65. Other benefits may be available to low-income earners, including the guaranteed income supplement as early as age 60.

4.9.3 Applying for federal pensions

Members must apply to Service Canada for CPP and OAS benefits—the benefits will not be paid unless the member applies. See Service Canada under Pensions in the blue pages of the phone book, or check their website at servicecanada.gc.ca. Members can apply up to 12 months before their 65th birthday. Anyone over age 65 should apply immediately so as not to lose any benefits.

Integrated Pension Income From Age 55



4.10 Early Retirement Incentive Program (ERIP)

To ease workforce adjustments such as downsizing or re-organizing, you can elect to pay the extra cost of offering employees early retirement incentives. These incentive packages may include special arrangements for altering eligibility for unreduced pensions. Please note that plan members can never start their pension before their earliest retirement age and that there are *Income Tax Act* (ITA) restrictions on eligibility as well. See our website for further information. When you are ready, you can contact the director of the plan to discuss details.

Types of Pension Summary

TYPES OF PENSION	PAID FOR MEMBER'S LIFE?	PAID AFTER MEMBER'S DEATH?	EARLY RETIREMENT REDUCTION APPLIES?	RECEIVES COST OF LIVING ADJUSTMENT?
Single life pension, no guarantee ("normal form")	Yes	No	Yes	Yes
Single life pension guaranteed 5, 10, or 15 years	Yes	Yes if member dies before the end of the guarantee period. No if member dies after the end of the guarantee period.	Yes	Yes
Joint life pension 100%	Yes	Yes if the spouse is living. No if the spouse is deceased.	Yes	Yes
Joint life pension 60%, no guarantee (or any percentage lower than 100%)	Yes	Yes if the spouse for the joint life is living, paid at the percentage selected. No if the spouse is deceased.	Yes	Yes
Joint life pension less than 100%, guaranteed 5, 10, or 15 years	Yes	Yes if the spouse is living or if the member dies before the end of the guarantee period. No if the spouse is deceased and the member dies after the guarantee period expires.	Yes	Yes
Temporary Annuity	No (paid to the earlier of the member's reaching age 65 or death).	No	n/a	Yes
Bridge Benefit	No (paid to the earlier of the member's reaching age 65 or death).	No	Yes	Yes

