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5 PRE-RETIREMENT SURVIVOR BENEFITS

5.1 When are pre-retirement survivor benefits payable?

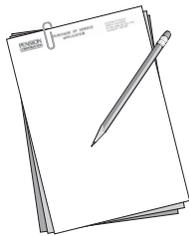
Survivor benefits are paid to a plan member's beneficiary(ies) when the member dies before retiring and still has contributions on deposit in the plan.

5.2 Reporting a plan member's death

Current employee

When an active plan member dies, you must:

- report the member's service, salary and contributions to only the date of death on the *Certification of Death*, and
- submit the *Certification of Death*, a copy of the member's death certificate, and proof of age and identity documents so the benefit can be processed.



Do not report service or salary or take contributions for any period after the date of death.

In the event that a plan member dies while receiving benefits under an LTD plan, you must enter the LTD stop date online (see section 6 for LTD information).

If you pay salary or lump-sum payments (such as lump-sum vacation payouts) after the date of death, these payments are not pensionable for full-time employees and you should not deduct or report contributions for these payments. However, lump-sum payments may be pensionable for part-time and casual employees. See section 7.3.3.4 for more information.

Note: For plan purposes, an active member includes members who are:

- Actively contributing to the plan.
- No longer contributing to the plan but still working after having accrued 35 years of pensionable service.
- Receiving benefits under an LTD plan.
- On an approved leave of absence and had not terminated employment.

Former employee

When a plan member who previously terminated employment with the plan dies, you are not required to complete a *Certification of Death*. If the member's funds are still on deposit with the plan, we will contact the beneficiary(ies) to obtain the necessary documents. They will need to provide the plan with a copy of the member's death certificate, and proof of age and identity documents, if required, so the benefit can be processed.

For information about termination of employment, see section 3.

5.3 Who is the beneficiary(ies)?



The member's spouse is automatically the beneficiary (unless the spouse has waived entitlement to the pre-retirement death benefit by completing *Spouse's Waiver of Beneficiary Right to Benefits in a Pension Plan, Locked-in Retirement Account, Life Income Fund or Annuity Benefits Before Payments Start*).

If there is no spouse, and no named beneficiary on file prior to the date of the plan member's death, death benefits are paid to the plan member's estate. (See Section 1.2 Determining a member's beneficiary for more information).

5.4 Survivor benefit options

There are different survivor benefit options available under the Municipal Pension Plan.

The survivor death benefit payable depends on:

- member's age at death,
- years of pensionable and contributory service,
- date of death,
- date of termination of employment, and
- identity of the beneficiary.

Survivor benefit options

Plan member over age 55 [50] at date of death

Your spouse is someone you are married to and have not been separated from for more than two years, or someone you have been living with in a marriage-like relationship for at least two years.

The chart below displays the benefits that may be provided by the plan if the member was over the age of 55 (50 for public safety employees) on the date of their death. Based on the date of termination of employment or date of death, different rules may apply.

	BENEFICIARY	
	SPOUSE	NOT A SPOUSE
Survivor benefit?	Benefit	Commutated value
Cost-of-living adjustments?	Yes, non-guaranteed and at discretion of Municipal Pension Board of Trustees	Yes, partially applied in commuted value calculation
Health benefit coverage?	Coverage available for spouse and eligible dependent children Such coverage is subject to certain conditions, including having continuous comparable coverage for health benefits and paying the required premiums. The Municipal Pension Board of Trustees may change coverage at any time, including, but not limited to, increasing, decreasing or eliminating coverage and benefits, or changing premiums and deductibles.	No
Tax implications?	Yes, tax is deducted from benefits	Yes, commuted value payments are taxable
Waiver of survivor benefit?	Yes, spouse can agree to waive	Not applicable

Plan member under age 55 [50] at date of death

The chart below displays the benefits that may be provided by the plan if the member was under the age of 55 (50 for public safety employees) on the date of their death. Based on the date of termination of employment or date of death, different rules may apply.

	BENEFICIARY	
	SPOUSE	NOT A SPOUSE
Survivor benefit?	Value of the retirement or commuted benefit value	Commutated value
Cost-of-living adjustments?	Yes, non-guaranteed for retirement benefits and at discretion of Municipal Pension Board of Trustees Yes, cost-of-living adjustments are partially applied in commuted value calculations	Yes, partially applied in commuted value calculation
Health benefit coverage?	Coverage available for spouse and eligible dependent children Such coverage is subject to certain conditions, including having continuous comparable coverage for health benefits and paying the required premiums. The Municipal Pension Board of Trustees may change coverage at any time, including, but not limited to, increasing, decreasing or eliminating coverage and benefits, or changing premiums and deductibles.	No
Tax implications?	Yes, tax is deducted from benefits No tax on commuted value transferred to locked-in retirement vehicle	Yes, commuted value payments are taxable
Waiver of survivor benefit?	Yes, spouse can agree to waive	Not applicable

Retirement benefit

If a retirement benefit is payable to the surviving spouse, the benefit from the plan is immediately payable and will continue for their lifetime.

Commutated value (CV) payment

If a commuted value is payable to the surviving spouse, it must be transferred to a locked-in retirement vehicle and will not be subject to withholding tax. If a commuted value is payable to a nominated beneficiary or the estate, it is in the form of a cash payment with tax withheld.

Health benefit coverage

A spouse and eligible dependent children can apply for health benefit coverage if a monthly pension is selected. Such coverage is subject to certain conditions, including having had continuous comparable coverage for health benefits, and paying the required premiums. The Municipal Pension Board of Trustees may change coverage at any time, including, but not limited to, increasing, decreasing or eliminating coverage and benefits, or changing premiums and deductibles.

Waiving survivor benefits

A spouse can agree to waive survivor benefits at any time prior to a Plan member's retirement or following the death of a member who dies prior to retirement, provided a waiver is received before the commencement of any resulting pension. Waiving benefits means the spouse will receive nothing from the plan. The survivor benefits would be paid as a lump-sum to the beneficiary(ies) nominated by the member, or to the member's estate if they did not name a beneficiary. Electing to waive the spousal right to survivor benefits has financial, legal and tax implications. Before deciding to waive a survivor benefit, surviving spouses are strongly urged to obtain legal and tax advice.

Benefit payable to a named beneficiary or estate

When multiple beneficiaries have been nominated, the benefit is split equally unless the member has assigned other proportions. Benefits payable to a named beneficiary or estate are always paid as cash (in the form of a cheque), with tax withheld.

