



Plan Member Education Session



Today's Topics

- + Pension and Benefits Website
- + Pension Plan Contributions
- + Supplementary Death Benefit
- + Leave Without Pay
- + Retirement Benefits
 - ◆ Indexing
 - ◆ Bridge Benefit (CPP/QPP Coordination)
- + Service Buybacks
- + Survivor Benefits
- + Group Insurance Benefits
- + Services and Information

Pension and Benefits Website

www.canada.ca/pension-benefits



Pension Plan Contributions for 2020

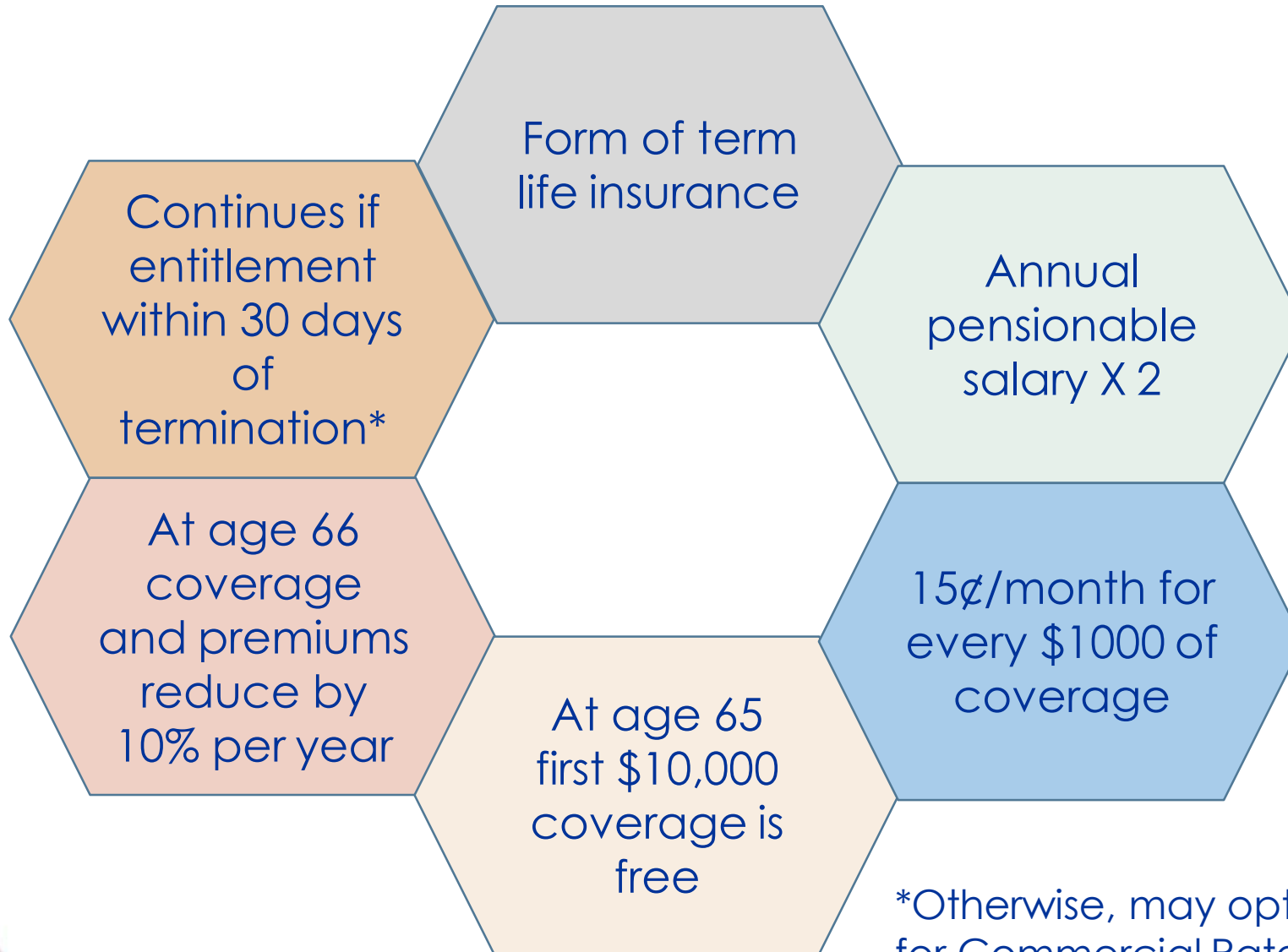
Plan members prior to January 1, 2013	Plan members on or after January 1, 2013
9.53% up to CPP/QPP YMPE	8.69% up to CPP/QPP YMPE
Yearly Maximum Pensionable Earnings (YMPE) for 2020 \$58,700	
11.72% above CPP/QPP YMPE	10.15% above CPP/QPP YMPE

Supplementary Death Benefit

Did you know that you have a form of life insurance from your employer?



Supplementary Death Benefit



*Otherwise, may opt for Commercial Rate

Supplementary Death Benefit

Naming a Beneficiary

Your estate

One person
age 18 or
over at the
time of
designation

Charitable,
benevolent,
religious or
educational
institution

- + If no beneficiary designated, paid to the Estate
- + Benefit not taxable as income.
- + See CWA for most recent date of designation
- + To name or amend Beneficiary → PWGSC 2196 Naming or Substitution of a Beneficiary

Leave Without Pay

Will a period of leave without pay impact your pension?



Leave Without Pay

Authorized leave can be pensionable (parental, personal, sick, etc)

Required to pay pension deficiencies

Option not to count leave after first 3 months

Repayment: lump sum, deduction, or combination

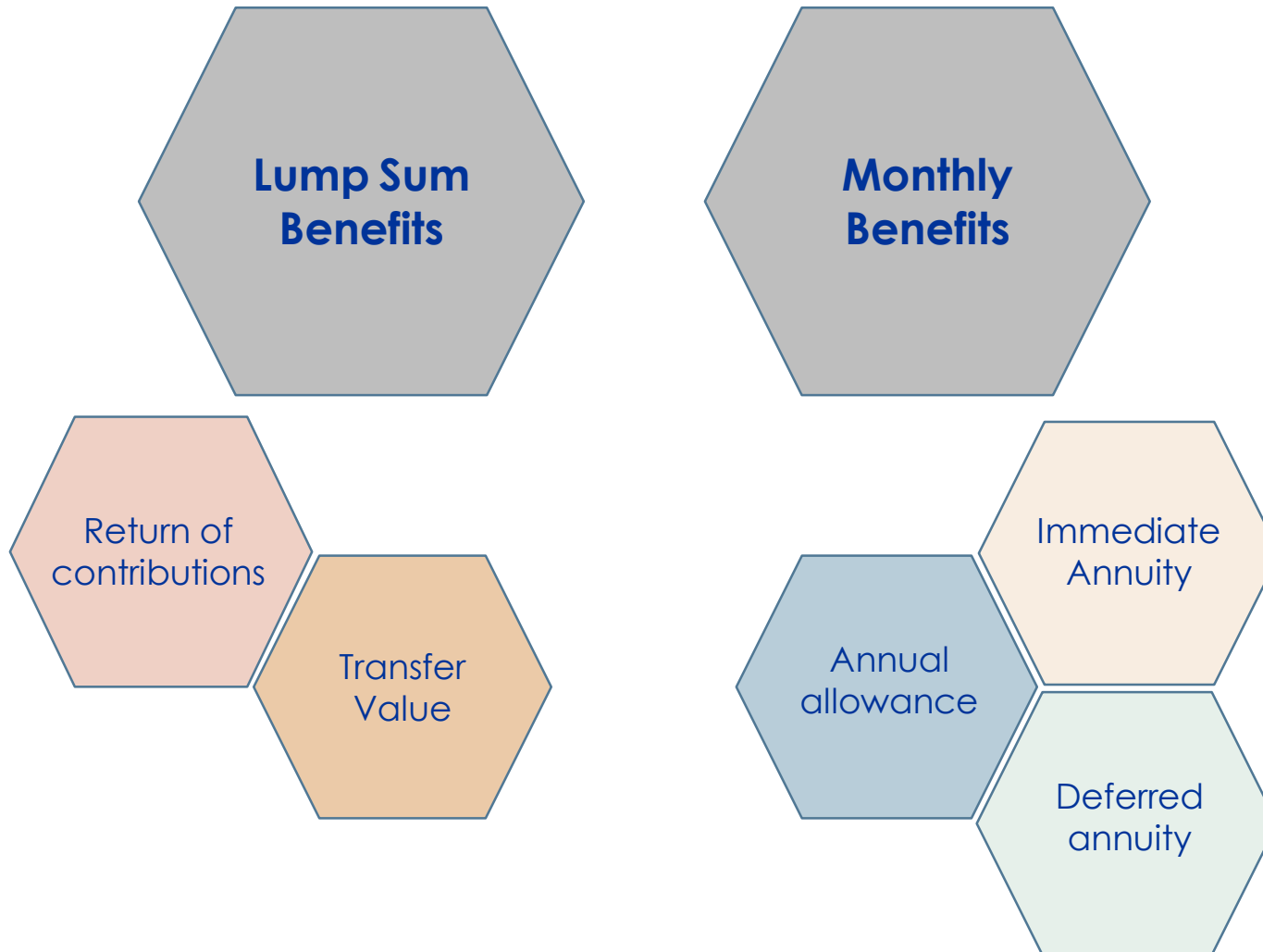
Income Tax Act limits:
5 years
3 years

Suspension, seasonal layoff, strike are non-pensionable



Retirement Benefits

What are your options when you leave the Public Service?



Retirement Benefits

Lump Sum Benefits

Age at Termination	Pensionable Service	Lump Sum Payment
Any	Less than 2 years	Return of Contributions
Less than 50 (55)	At least 2 years	Transfer Value

Retirement Benefits

Lump Sum Benefits – Transfer Value

Actuarial value of your accrued pension benefits

Amount within tax limit	Amount in excess of the tax limit:
Must be transferred to: <ul style="list-style-type: none">• Locked in RRSP• Registered pension plan• And/or purchase a life annuity	Paid to: <ul style="list-style-type: none">• You and taxed at source And/or <ul style="list-style-type: none">• Your RRSP if available room

Retirement Benefits

Monthly Benefits

How is your monthly pension benefit calculated?



Retirement Benefits

Monthly Benefits - Formula

2% X Years and days of pensionable service X Average salary for highest paid 5 consecutive years of service

$$2\% \times 32 \times \$60,000 = \$38,400/\text{year or } \$3,200/\text{month}$$

$$2\% \times 17 \times \$60,000 = \$20,400/\text{year or } \$1,700/\text{month}$$

*This amount is comprised of the lifetime pension and bridge benefit

Retirement Benefits

Monthly Benefits – Full Time and Part Time

Full Time

$$2\% \times 35 \text{ years} \times \$60,000 \times \frac{37.5}{37.5} \div 12 = \$3,500 \text{ monthly}$$

Full Time and Part Time

$$2\% \times 30 \text{ years} \times \$60,000 \times \frac{37.5}{37.5} \div 12 = \$3,000 \text{ monthly}$$

+

$$2\% \times 5 \text{ years} \times \$60,000 \times \frac{20.0}{37.5} \div 12 = \$266 \text{ monthly}$$

$$\text{Total} = \$3,266 \text{ monthly}$$

Retirement Benefits

Monthly Benefits – Immediate Annuity

Unreduced benefit payable from termination date

Age	Pensionable Service	Reason for Termination
60 (65) or over	At least 2 years	Retirement
55 (60) or over	At least 30 years	Retirement
Any age	At least 2 years	Disability

Retirement Benefits

Monthly Benefits – Annual Allowance

Reduced benefit if not entitled to immediate annuity

Age	Pensionable Service	Payable at the later of:
Less than 50 (55)	At least 2 years	Age 50 (55) or date of option
50 (55) or more	At least 2 years	Date of termination or date of option

Retirement Benefits

Monthly Benefits – Annual Allowance

Plan Member before January 1, 2013

Pensionable Service	Age	Reduction
Less than 25	or less than 50	5% x (60 - age)
25 or more	50-54	Greater of 5% x (55 - age) or 5% x (30 - service)
	55-59	Lesser of 5% x (60 - age) or 5% x (30 - service)

Retirement Benefits

Monthly Benefits – Annual Allowance

Plan Member on or after January 1, 2013

Pensionable Service	Age	Reduction
Less than 25	or less than 50	5% x (65 - age)
25 or more	55-59	Greater of 5% x (60 - age) or 5% x (30 - service)
	60-64	Lesser of 5% x (65 - age) or 5% x (30 - service)

Retirement Benefits

Monthly Benefits – Deferred Annuity

Unreduced benefit payable at 60 (65)

Age	Pensionable Service	Reason for Termination
Less than 60 (65)	At least 2 years	Retirement
And not entitled to Immediate Annuity		

- ◆ Option for an Annual Allowance possible from age 50 (55)

Retirement Benefits

Deductions

Compulsory

- Income Tax
- Buyback Installments
- Deficiencies
- Debt due to the Crown

Cease

- Pension contributions
- Disability Insurance
- EI and CPP/QPP
- Union dues
- Public Service Management Insurance Plan

Voluntary

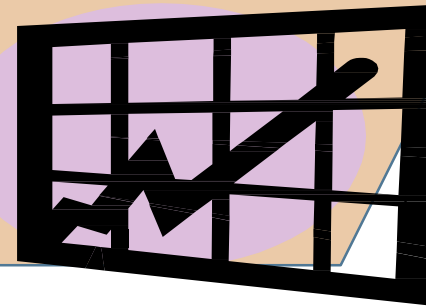
- Supplementary Death Benefit*
- Public Service Health Care Plan*
- Pensioners' Dental Services Plan*
- Income Tax (extra)

*Sales tax applies for residents of ON and QC

Retirement Benefits

Indexing

Is your pension
adjusted for cost
of living increases?



Retirement Benefits

Indexing

Annual cost of living increase based on average of the Consumer Price Index

Accumulates from termination date

Increase effective January 1st each year

First increase is pro-rated based on month of termination

PSSA Indexation – (1970 – Present)

Year of Payment	Percentage Increase	Year of Payment	Percentage Increase
1970	2.0	1995	0.6
1971	2.0	1996	1.6
1972	2.0	1997	1.6
1973	2.0	1998	1.9
1974	6.7	1999	0.9
1975	10.1	2000	1.5
1976	11.3	2001	2.5
1977	8.6	2002	3.0
1978	7.2	2003	1.6
1979	9.1	2004	3.3
1980	8.9	2005	1.7
1981	9.7	2006	2.2
1982	12.2	2007	2.3
1983	6.5	2008	1.8
1984	5.5	2009	2.5
1985	4.6	2010	0.5
1986	3.9	2011	1.4
1987	4.1	2012	2.8
1988	4.3	2013	1.9
1989	4.1	2014	0.9
1990	4.7	2015	1.7
1991	4.8	2016	1.3
1992	5.8	2017	1.3
1993	2.1	2018	1.6
1994	1.9	2019	2.2
		2020	2.0

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1976	11.3	2001	2.5
1977	8.6	2002	3.0
1978	7.2	2003	1.6
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1992	5.8	2017	1.3
1993	2.1	2018	1.6
1994	1.9	2019	2.2
		2020	2.0

Retirement Benefits

Indexing

Month of Retirement	Ratio
January	11/12
February	10/12
March	9/12
April	8/12
May	7/12
June	6/12
July	5/12
August	4/12
September	3/12
October	2/12
November	1/12
December	0/12

Retirement Benefits

Bridge Benefit

How does the CPP/QPP coordination affect your pension benefits?



Retirement Benefits

Bridge Benefit – Formula for 2020

Bridge Benefit Factor X Years and days of pensionable service X Lesser of the average salary or the CPP/QPP AMPE

$$0.625\% \times 32 \times \$56,440 = \$11,288/\text{year or } \$940/\text{month}$$

$$0.625\% \times 17 \times \$56,440 = \$5,996/\text{year or } \$499/\text{month}$$

AMPE → Average Maximum Pensionable Earnings

Retirement Benefits

Bridge Benefit

Bridge benefit ends

First of the month following 65th birthday

or

Date of Entitlement to CPP/QPP disability

- + Early or deferred CPP/QPP has no impact on bridge benefit
- + Indexing on bridge portion ends

Life Time Pension and Bridge Benefit

If you retire before age 65 and apply for C/QPP at age 65

Pension Income

Bridge Benefit
(Public Service Pension Plan)

CPP or QPP Pension

Life Time Pension
(Public Service Pension Plan)

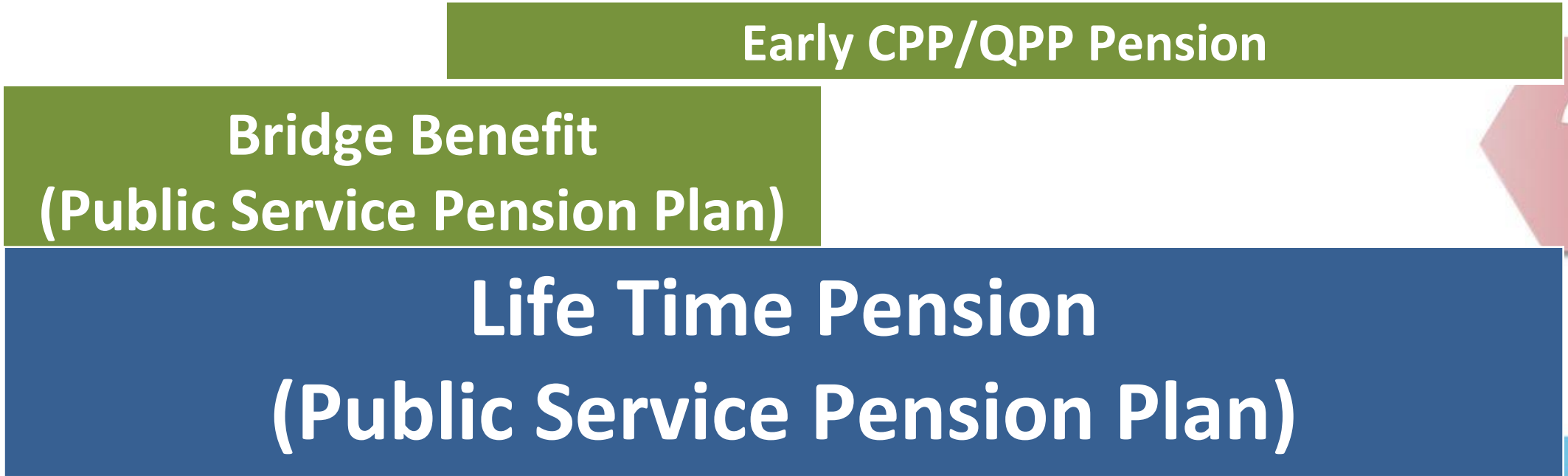
Retirement

Age 65

Life Time Pension and Bridge Benefit

If you retire before age 65 and apply for early C/QPP benefits between age 60 and 64

Pension Income



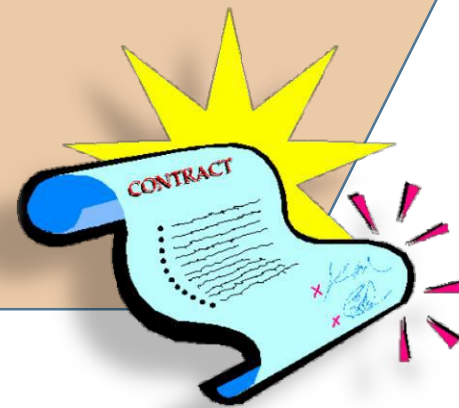
Retirement

Age 60

Age 65

Service Buyback

Can you increase your pensionable service?



Service Buyback

Increase your pensionable service

Prior PS, CAF, RCMP and outside employment

Cost depends on type of service, normal or late

Repayment by lump sum, deductions or combination

Medical examination may be required

[Service Buyback Video](#)

Survivor Benefits

What benefits are available for your survivors?



Survivor Benefits

Spouse or Common Law Partner

Entitled to 50%
of member's
unreduced
pension

Monthly
pension
benefit
payable for
survivor's
lifetime

Relationship
must have
started prior
to termination

- + Proof of relationship required
- + If separated
 - + From marriage, former spouse entitled
 - + From common law relationship, former partner not entitled
- + If divorced
 - + Former spouse not entitled

Survivor Benefits

Children

Entitled to 10%
of member's
unreduced
pension
(max 40%)

Doubled if no
eligible
spouse/partner

Payable until
18 or up to 25
if full time
student*

*Proof of full time attendance required

Survivor Benefits

Minimum Benefit

The greater of :
Return of Contributions plus Interest
Or
Five years of unreduced pension
Less
Any pension amounts already paid

- + Applies when no further monthly pension payable
- + Paid to the beneficiary of Supplementary Death Benefit or Estate
- + Benefit is taxable

Group Insurance Benefits

What other benefits are available to pensioners and survivors?

Group Insurance Benefits

Public Service Healthcare Plan

Effective April 1, 2020

Monthly premiums (Pensioner)	Level 1	Level 2	Level 3
Individual	\$59.68	\$68.08	\$82.90
Family	\$122.05	\$134.19	\$151.42
Daily Hospital Provision	\$60.00	\$140.00	\$220.00

- + Six years of pensionable service required for eligibility
- + Family: spouse/common law partner and children up to 21 (25 if full time student)

Group Insurance Benefits

Pensioners' Dental Services Plan

Effective October 1, 2017

Coverage	Monthly Premiums
Pensioner only	\$17.46
Pensioner and one eligible family member	\$36.85
Pensioner and more than one eligible family member	\$44.38

- + Family: spouse/common law partner and children up to 21 (25 if full time student)
- + Cannot voluntarily cancel coverage within first three full calendar years
- + Once cancelled, cannot reapply

Services and Information

Some other topics...

- + Pension Transfer Agreement
- + Pension division in case of divorce or separation
- + Disability after retirement
- + Re-employment after retirement
- + Optional survivor benefit

For more information, visit our website or contact the Pension Centre

Services and Information

Contact	Phone number and website
Service Canada (CPP/OAS)	1-800-277-9914 www.servicecanada.gc.ca
Québec Pension Plan (QPP)	1-800-463-5185 www.rrq.gouv.qc.ca
Public Service Health Care Plan (for employees and pensioners)	1-888-757-7427 www.sunnet.sunlife.com/signin/csi/pshcp/e/home.wca
Public Service Dental Care Plan (for employees)	1-855-415-4414 https://groupnet.greatwestlife.com
Pensioners' Dental Services Plan (for pensioners)	1-888-757-7427 www.sunnet.sunlife.com/signin/csi/pdsp/e/home.wca
National Association of Federal Retirees	1-855-304-4700 www.federalretirees.ca



Thank you

For more detailed information visit the website at

www.canada.ca/pension-benefits

or

Contact the Government of Canada Pension Centre

at **1-800-561-7930**

