

OPTIONAL FORMS OF PENSION FROM MEPP

INTRODUCTION

This bulletin provides information about the options available when you choose to receive a pension from MEPP.

Your Plan

MEPP is a defined benefit pension plan that is administered by the Public Employees Benefits Agency (PEBA).

Defined benefit plans provide a pension benefit based on a formula. MEPP's pension formula uses your highest average salary (HAS), your pensionable service and the accrual rate in effect during your years of service.

MEPP was designed to provide pension benefits to members who leave the work force for retirement. The Plan also provides benefits in the event of death, disability and termination of employment.

Contact information and a glossary of terms used appear at the end of this document.

YOUR OPTIONS

The options available to you regarding your lifetime pension from MEPP depend on whether or not you have a spouse when you retire.

If you do not have a spouse when you retire, your lifetime pension will be a single life pension that is:

- payable for as long as you live; and
- guaranteed to be paid for at least 15 years.

If you have a spouse when you retire, you have several options available. Like a single pensioner, you will receive your lifetime pension as long as you live. You will, however, have to decide:

- how many full lifetime payments will be guaranteed; and
- what percentage of your full lifetime pension will be paid to your joint pensioner if you die after you have received the number of payments in your chosen guarantee period.

GUARANTEE PERIOD

Your full lifetime pension will be paid to you monthly for as long as you live.

The guarantee period is the minimum length of time that your full lifetime pension will be paid. If you die before receiving the guaranteed number of payments, the remaining payments will be made to your joint pensioner or beneficiary.

Bridge Benefit - If you retire before age 65 you will receive a bridge benefit in addition to your lifetime pension.

Regardless of the guarantee period you choose, the last payment of the bridge benefit is made the month you turn age 65. If you die before reaching age 65, your bridge benefit payments continue until the month in which you *would have turned age 65* if you were still alive.

Single Lifetime Pension - If you do not have a spouse when you retire, your full lifetime pension is paid for your lifetime and guaranteed to be paid for 15 years (180 payments) from the date you retire.

If you die *after* you have received more than 180 payments, your pension stops at your death. If you die *before* you have received 180 payments, your designated beneficiary receives the remaining payments.

This table gives two examples of what happens if you die after retiring with the single form of pension guaranteed for 15 years.

YOU LIVE	YOU RECEIVE YOUR PENSION	YOUR BENEFICIARIES RECEIVE YOUR PENSION
10 yrs	10 yrs (120 payments)	5 yrs (60 payments)
25 yrs	25 yrs (300 payments)	No further benefits

Joint Lifetime Pension - If you have a spouse when you retire, your pension benefit includes you and your spouse. Your full lifetime pension is paid for your lifetime and guaranteed to be paid for at least five years (60 payments) from the date you retire.

You can choose a guarantee period of five years (60 payments), ten years (120 payments) or 15 years (180) payments.

SURVIVOR BENEFIT

The survivor benefit is the portion of your full lifetime pension that is payable to your joint pensioner:

- after you die; *and*
- after the guaranteed number of full lifetime pension payments has been made.

Your joint pensioner is the only person entitled to a survivor benefit if you die after your guarantee period has ended. When you retire you can choose a survivor benefit that pays 60%, 75% or 100% of your full lifetime pension.

JOINT PENSION

A joint pension is paid as long as either you or your joint pensioner is alive.

The normal form of joint pension payable from the Plan provides for a 5-year guarantee period and 60% survivor benefit. This is the minimum benefit you can receive. You can choose a longer guarantee period and/or larger survivor benefit. Increasing the guarantee period and/or survivor benefit decreases the lifetime pension amount.

If you die **before** you have received the guaranteed number of full lifetime pension payments, your joint pensioner receives the full lifetime amount for the remaining payments in the guarantee period. After all guaranteed payments have been made, your joint pensioner receives monthly survivor benefit payments. These payments are paid at the survivor benefit rate that you chose when you retired. They are paid as long as your joint pensioner is alive.

If you die **after** you have received the guaranteed number of full lifetime payments, the survivor benefit begins immediately. Your joint pensioner receives monthly survivor benefit payments at the rate that you chose when you retired. They are paid as long as your joint pensioner is alive.

When you retire you can choose any of these combinations of guarantee period and survivor benefit:

GUARANTEE PERIOD (NUMBER OF FULL PENSION PAYMENTS)	SURVIVOR BENEFIT
5 yrs (60 payments)	60%
	75%
	100%
10 yrs (120 payments)	60%
	75%
	100%
15 yrs (180 payments)	60%
	75%
	100%

You may not change the guarantee period or survivor benefit after you start your pension.

This table gives two examples of what happens if you die after retiring with a joint form of pension guaranteed for 5 years and a 60% survivor benefit.

YOU LIVE	YOU RECEIVE YOUR FULL PENSION	YOUR JOINT PENSIONER RECEIVES	
		YOUR FULL PENSION	60% OF YOUR PENSION
4 yrs	4 yrs (48 payments)	1 yr (12 payments)	Lifetime
20 yrs	20 yrs (240 payments)	N/A (Guarantee period over)	Lifetime

When you retire, your spouse can waive the right to the joint pension by signing a *Spousal Waiver of Survivor Benefits* and submitting it to PEBA. This waiver must be signed before a member with a spouse can select a *single life* pension with a 15-year guarantee period and no survivor benefit.

If you enter a spousal relationship *after you retire*, the Plan does not provide a joint pension or survivor benefit to your new spouse. You can, however, name your new spouse as a beneficiary of any payments remaining in your guarantee period.

For information about spousal waivers, refer to *MEPP In-Depth ... Spousal Waiver at Retirement*.

See *MEPP In-Depth ... Retirement Eligibility and Option* and *Optional Forms of Pension* for further information about your options when you retire. *These bulletins are available for General Members and for Police Officers and Firefighters.*

OTHER RETIREMENT INCOME

We encourage you to seek independent financial advice about the role of the Plan in your personal financial situation. Your benefit from MEPP is only one source of retirement income. Other sources could include:

- Federal retirement income programs;
 - Canada Pension Plan (CPP);
 - Old Age Security (OAS); and
- Personal savings.

Call 1-800-277-9914 or 1-800-255-4786 (TTY) or visit www.sdc.gc.ca for information about federal programs.

GLOSSARY

Accrual Rate - The percentage of your highest average salary that you receive for each year of pensionable service. It is used to calculate your pension allowance.

Defined Benefit Pension Plan - A pension plan that provides a benefit based on a formula.

Designated Beneficiary - Any individual or entity, other than your spouse, named by you to receive your death benefit if you die.

Highest Average Salary - The average of your highest three years of salary while contributing to the Plan.

Joint Pension - A pension payable as long as either the member or member's spouse is alive.

Pension - Regular monthly payments from a pension plan to a person who has retired.

Pensionable Service - Service used in a pension calculation to determine a member's pension benefit.

Spousal Waiver of Retirement Benefits - A waiver that permits your spouse to waive his or her right to a joint pension. Your spouse must seek independent legal advice to complete this form.

Spouse - The person married to a Plan member. If the member is not married, the spouse is the person in a common-law relationship with a member:

- and who has been cohabiting with the member for at least one year; or
- in which each of the two individuals is the natural or adoptive parent (legally or in fact) of the same child.

MEPP ADMINISTRATION

The Municipal Employees' Pension Commission is responsible for the Plan's administration, communication and investment activities.

The mission of the Commission is:

To oversee and direct the administration of the Plan and manage the assets in the best interests of the members.

As trustee of the Municipal Employees' Pension Fund, the Commission is responsible for safeguarding and investing the Fund monies.

PEBA conducts day-to-day administration of the Plan under contract with the Commission. The contract with PEBA sets service standards for the tasks PEBA performs for the Commission.

MEPP is registered with Canada Revenue Agency under the *Income Tax Act* (Canada) and governed by these federal and provincial acts and their related regulations:

- The *Income Tax Act* (Canada);
- The *Pension Benefits Act, 1992*; and
- The *Municipal Employees' Pension Act*.

FOR MORE INFORMATION

Plan information is available from a number of sources including:

- MEPP *In-Depth* bulletins;
- MEPP *Matters*, the Plan newsletter;
- MEPP Member Booklets;
- member presentations; and
- the *Municipal Employees' Pension Commission Annual Report*.

These published materials are available from the PEBA website at www.peba.gov.sk.ca. To reach the MEPP home page, click on the MEPP tab once you are on the PEBA website.

You may telephone, send a FAX or e-mail and request copies of published materials from PEBA at:

The Municipal Employees' Pension Plan
Public Employees Benefits Agency
1000 - 1801 Hamilton Street
REGINA SK S4P 4W3

Phone: (306) 787-2684 (in Regina)
Toll-free: 1-877-506-6377
Fax: (306) 787-8822
E-mail: mepp@peba.gov.sk.ca

The information in this bulletin does not replace or supersede The Municipal Employees' Pension Act or The Pension Benefits Act, 1992 or related regulations. In the case of error or discrepancy, the terms of the Acts and regulations apply.