

A photograph of a family of four hiking through a forest. The father is at the back, smiling, with his arm around the mother. The mother is in the middle, also smiling, with her arm around the daughter. The daughter is on the left, looking down at a stick she is holding. The son is on the right, also looking down at a stick. They are all wearing outdoor clothing and using wooden sticks as trekking poles. The background is a sunlit forest with trees and foliage.

Leaving Your PSPP Employer

The information in this booklet provides a summary of the terms of the Public Service Pension Plan (PSPP) text at the time of publication. From time to time, the PSPP Plan text may be amended by the PSPP Sponsor Board. If there is any discrepancy between the information in this booklet and the PSPP Plan text, the PSPP Plan text will govern.

Welcome to PSPP

We are thrilled to have you as a member and are committed to safeguarding your financial future.

Our pension Plan, which has been providing peace of mind since 1947, is designed to ensure that you have a secure and stable income throughout your retirement.

As a member of PSPP, you are enrolled in a “Defined Benefit” plan. This means that your pension is based on your years of service and salary, providing you with a reliable lifelong income.

Unlike other retirement plans, your defined benefit pension is not affected by market fluctuations or economic downturns. Additionally, you will receive annual cost of living increases to help protect you from inflationary pressures.



Rest assured that your pension is in capable hands. Our Plan is professionally managed by experienced individuals who have been overseeing pensions for decades.

To further empower you, we offer a convenient online portal called “Your Pension Profile” (YPP).

Your PSPP Pension is an excellent way to save for your future. Once you retire, you can rely on regular monthly pension payments for the rest of your life.

Now that's a future you can count on.

It's important to learn about the PSPP benefit options available to you when you leave your employer. The options depend on your age and whether you are vested or not.

When you leave the Plan, PSPP will send you a statement with your options. If you are under age 55, you will receive a *Termination Statement*. If you are at or over age 55, you will receive a *Retirement Statement*.

The following pages will describe your termination options with the Plan.



Not Vested (Fewer Than Two Years of Service)

If you are under age 65 and have less than two years of Pensionable Service, you are not eligible for a pension benefit. As a non-vested member, you have three options available to you.

1.

Leave Your Pension Contributions Plus Interest With PSPP

This may be the option for you if there is a chance you will be returning to work with your current employer or with another participating PSPP employer. Leaving your pension contributions plus interest in PSPP, where they will stay safe and secure, will allow you to add additional pensionable service to your existing service if you re-join the Plan. Once you reach two years of service, you will be vested and therefore eligible to receive a pension for the rest of your life as early as age 55.



2 YEARS

Vesting occurs after 2 years of service

Eligible to receive a pension for the rest of your life as early as age 55

2.

Transfer Your Contributions Plus Interest to Another Pension Plan or RRSP

Continue to grow your pension benefit for your retirement. PSPP has transfer agreements with several other provincial and federal public sector pension plans.

If you start working for a new employer who participates in one of those plans, you may be able to transfer your PSPP service to that new plan.

Your share of contributions plus interest can also be transferred to a Registered Retirement Savings Plan (RRSP).

3.

Take a Return of Contributions Plus Interest

Your share of contributions plus interest will be paid to you with taxes withheld. A cheque will be sent automatically if you do not respond to your *Termination Statement* within **90 days**.



90 DAYS

Inaction for 90 days results in an automatic refund of contributions plus interest via cheque



Vested, Under Age 55

If you have two or more years of Pensionable Service with PSPP you are entitled to a lifetime PSPP pension at retirement. As a vested member, you have three options available to you:



AGE 55

Leave funds in PSPP for a monthly pension as early as 55

Rejoining the Plan before you retire adds to your pension

1.

Leave Your Pension Benefit With PSPP

If you leave your funds in the Plan, you will be eligible to receive a monthly pension for the rest of your life as early as age 55.

If you rejoin the Plan before you retire, either through the same or another PSPP employer, you will add new pensionable service to what you have already earned and increase the lifetime pension you will receive. When you leave your funds in PSPP until retirement, you become what is called a deferred member.

2.

Transfer Your Pension Benefit to Another Pension Plan

PSPP has transfer agreements with several other provincial and federal public sector pension plans.

If you start working for a new employer who participates in one of those plans, you may be able to transfer your PSPP service to that new plan.

3.

Take the Commuted Value

The lump sum of your pension when you are vested is known as a commuted value (CV). One way to think of a CV is to consider it the amount of money that must be set aside today to provide you with a future pension benefit. In most cases, these funds must be transferred to a Locked In Retirement Account (LIRA) which is a special type of registered retirement savings account designed to hold locked-in pension funds. These funds are then used to provide you with retirement income.

Note: Because there are limits to the amount of funds from a pension payout that you are allowed to tax shelter, your payout may also contain some funds known as "tax rule excess." These funds are paid as taxable cash.



Vested, at or Over Age 55



If you have two or more years of Pensionable Service with PSPP, you are entitled to a lifetime PSPP pension.

As a vested member at or over the age of 55, you have three options available to you. Your options include:

1.

Start an Immediate PSPP Pension

You are now eligible to start your lifetime PSPP Pension. If you are considering retirement, visit our website for more information.

2.

Transfer Your Pension Benefit to Another Pension Plan

Continue to grow your pension benefit for your retirement. PSPP has transfer agreements with several other provincial and federal public sector pension plans.

If you start working for a new employer who participates in one of those plans, you may be able to transfer your PSPP service to that new plan.

3.

Start Your Pension at a Later Date

You can wait to start your pension after you turn 55, but you will have to start your pension before the end of the year in which you turn 71.

If you rejoin the Plan in the meantime, you will add to your pensionable service and increase your pension amount.

On or After Your 65th Birthday



If you are contributing to the Plan on or after your 65th birthday, you are automatically vested and entitled to a lifetime PSPP pension no matter how many years of service you have.

If you postpone your pension and start working with a PSPP employer and re-join the Plan, you will continue to grow your future PSPP pension benefit.



Note: You must start your pension by the end of the year in which you turn 71, even if you continue to work. This is a Canada Income Tax Act rule.

Time Sensitive Considerations

Leaves of Absence

**30
DAYS**

You have 30 days from the date you leave the Plan to apply to purchase service for a leave period.

If you are already making payments towards service for a leave period, you will have 90 days to complete your purchase.

**90
DAYS**

Did You Know?

You do not have to terminate your employment with your employer to start your pension at age 71. You can start your pension while continuing to work with your current PSPP employer.

Prior Service Purchases

If you intend to purchase prior service from your current employer or a previous employer, if eligible, you must submit your application before you leave the Plan. If you are already making prior service payments, you will have 90 days to complete your purchase.

In either scenario, if you do not complete the purchase, it will be prorated and only the amount of service you have paid for will be credited.

Leaving Your Employer Timeline

Up to 30 days after leaving employment

Your employer has 30 days from the date you leave your employment to submit your final data to PSPP. We cannot calculate your benefit until your employer has completed this.

Your first point of contact should be to confirm with your employer what date they sent your information to PSPP. This process must be initiated by your employer. Calling PSPP to inform us that you have left your employment will not start the process any quicker.

Up to 90 days after leaving employment

If you elect to remove your commuted value from the Plan, the funds will be transferred out of the Plan within 30 days of receiving all required documentation.

0 Days

Last day of work

Update your contact information in YPP. If possible, ensure your HR department is aware that you are leaving so that your information can be sent to PSPP.

30 Days

Once we receive the final data from your employer, we now have 30 days to calculate your benefit and send you your termination package.

60 Days

Up to 60 days after leaving employment

Once you receive your termination package from PSPP, you will have 90 days from the date your termination package was produced to elect a choice and make your decision on the contributions paid into the Plan.

90 Days

Up to 150 days after leaving employment

If you are not vested and do not make an election within the 90-day deadline indicated in your termination package, your contributions and interest will be automatically paid out to you.

If you are vested and do not make an election within the 90-day deadline indicated in your termination package, the default election is that your funds will remain in the Plan.

150 Days

pspp.ca

Visit pspp.ca to learn more about your Plan and its features or to access YPP, your secure online site.

Member webinars / videos

PSPP has regularly scheduled webinars to learn more about how your pension works. You can also access videos that you can watch at your leisure. Visit pspp.ca for more information and to register.

PSPP Talks

An electronic newsletter is emailed to members when there is important information about the plan to share. Be sure to have an e-mail address in YPP to receive PSPP Talks!

PRIVACY INFORMATION

Your Information is Secure

Providing PSPP with your personal information is considered consent for its use and disclosure for the purpose set out in our Privacy Notice, as amended from time to time. You can find out more about our collection, use, disclosure and retention of personal information by reviewing our Privacy Notice at pspp.ca



Scan QR Code

View our video & information sessions

Member Services Centre

 1-877-453-1777