

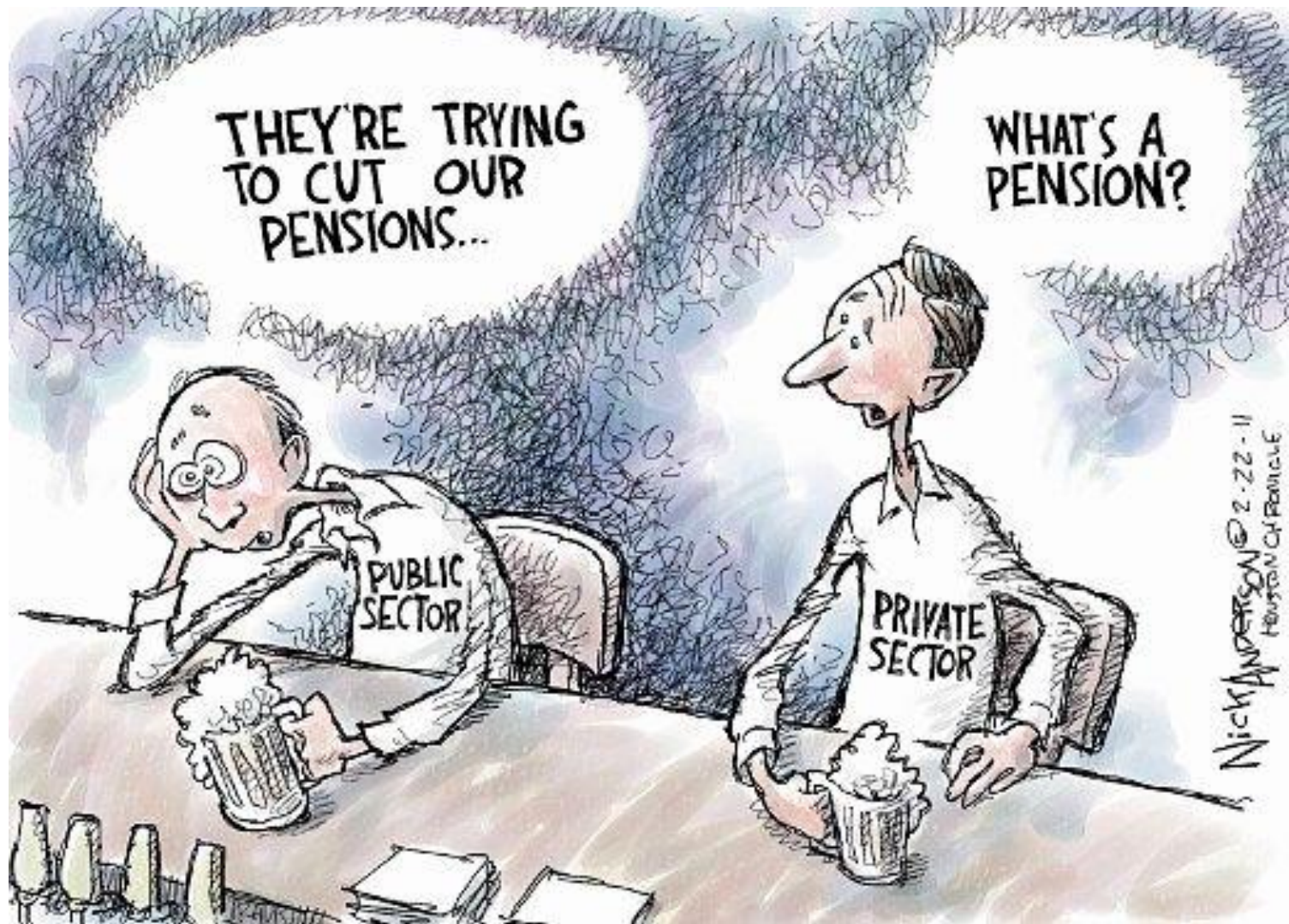
Retirement Seminar – October 18, 2023 For Members of C.U.P.E. 59

Employee Benefits:

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Overview

- **Government Sponsored Benefit Plans**
- **Employment Sponsored Benefit Plans**
 - Defined Contribution Pension Plan for Seasonal and Non-Permanent Part-Time Employees of the City of Saskatoon
 - City of Saskatoon General Superannuation Plan
- **Retirement Process**
 - Group Life Insurance Plan
 - Health and Dental Plans
 - Severance
- **Post-Retirement**
 - Pension Income Splitting
- **Questions**

Darn it! I saved too
much for retirement!
Said nobody, ever.



somee cards
user card

Sources of Retirement Income

The three pillars of retirement income in Canada:

■ Government Sponsored Benefit Plans

- Canada Pension Plan
- Old Age Security
- Guaranteed Income Supplement

■ Employer Sponsored Benefit Plans

- Defined Contribution Pension Plan for Seasonal and Non-Permanent Part-Time Employees of the City of Saskatoon
- City of Saskatoon General Superannuation Plan

■ Personal Savings

- RRSPs, Tax Free Savings Account, Other Savings
- Other investments (principal residence)
- Post-Retirement employment



Government Sponsored Benefit Plans

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My Service Canada Account (MSCA)

- Provides a convenient and secure access to view and update your Employment Insurance (EI), Canada Pension Plan (CPP) and Old Age Security (OAS) information online.
- To create an MSCA you will need:
 - your social insurance number (SIN);
 - your date of birth; and
 - your Personal Access Code (PAC) – may take up to 10 business days to receive your PAC once the online request form has been submitted.

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Canada Pension Plan (CPP)

- Originally designed to replace approximately 25% of pre-retirement earnings up to the average Canadian wage (\$61,840 in 2023).
- Every year since 2019 CPP has been expanding and will continue to expand for the next 40+ years until 2065.
- New “expanded” CPP will increase the replacement percentage from 25% to 33.33% and will cover a larger amount of pre-retirement income:
 - $\text{maximum CPP Payment} = \text{Base CPP} + \text{Enhanced CPP}$
- Benefit is based on how much and for how long you have contributed:
 - to receive the maximum CPP payment requires 39 years of max contributions between age 18 and 65 (difficult threshold to achieve).

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Canada Pension Plan (CPP)

- You should apply for your benefit at least 6 months ahead of time.
- Normal qualification age for CPP is age 65 (unreduced benefit).
- Earliest qualification age for CPP is age 60 (reduced benefit).
- Maximum benefit (at age 65) for 2023 is \$1,306.57/month or \$15,678.84/annum:
 - $\$1,306.57 = \$1,288.33$ (base) + \$18.24 (enhancement)
- Average benefit (at age 65) as of June 2023 is \$772.71/month or \$9,272.52/annum.

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Canada Pension Plan (CPP)

- CPP benefits are indexed annually for changes in the average industrial wage.
- If you receive a CPP retirement pension and work, you may be eligible for the Post-Retirement Benefit (PRB):
 - annual benefit is approximately equal to 1/40 of your yearly CPP benefit.
- Service Canada will provide you with an estimate of your CPP benefit if you are between age 60 and 65 – log into your My Service Canada Account or toll-free number is **1-800-277-9914**.
- Canadian Retirement Income Calculator is available on the Service Canada website. You will need your *CPP Statement of Contributions* which you can obtain from your My Service Canada Account.

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CPP Benefits

- If your CPP benefit is taken before age 65:
 - the percentage change in your CPP benefit is 0.6% for each month before age 65 (7.2% per year), up to a maximum reduction of 36% at age 60.
- If your CPP benefit is taken after age 65:
 - the percentage change in your CPP benefit is 0.7% per month (8.4% per year), up to a maximum increase of 42% at age 70 or later.

Type of pension or benefit	Monthly average amount (2023)	Yearly average amount (2023)	Monthly maximum amount (2023)	Yearly maximum amount (2023)
Retirement pension, age 65	\$772.71	\$9,272.52	\$1,306.57	\$15,678.84
Retirement pension, early at age 60	\$494.53	\$5,934.36	\$836.20	\$10,034.40
Retirement pension, delayed to age 70	\$1,097.25	\$13,167.00	\$1,855.33	\$22,263.96

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CPP Benefit Before Age 65

- You may begin receiving your CPP benefit before age 65 without any work interruption:
 - you can take your CPP benefit as early as age 60 without having to stop working or reduce your earnings.
- If you are under age 65 and work while receiving your CPP benefit:
 - contributions are mandatory for anyone working under age 65; and
 - contributions go towards Post-Retirement Benefit.

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CPP Benefit After Age 65

- If you are age 65 to 70 and you work while receiving your CPP benefit:
 - contributions are optional; and
 - contributions go towards Post-Retirement Benefit.

- If you are over age 70 and you work while receiving your CPP benefit:
 - contributions are not allowed.

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Enhanced CPP

- First Earning Ceiling
 - From 2019 to 2023 contribution rate increased from 4.95% to 5.95% on earnings over \$3,500 up to the Years Maximum Pensionable Earnings (YMPE):

■ 2018 – 4.95%	■ 2021 – 5.45%
■ 2019 – 5.10%	■ 2022 - 5.70%
■ 2020 – 5.25%	■ 2023 – 5.95%
 - YMPE for 2023 is \$66,600; approximate YMPE for 2024 will be \$69,000.

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Enhanced CPP

- Second Earning Ceiling
 - Starting in 2024, employees will contribute an additional 4% on an additional earnings range, Yearly Additional Maximum Pensionable Earnings (YAMPE):
 - YAMPE will be phased-in over two years, with a 7% increase in 2024 and a 14% increase in 2025; and
 - For 2024, the amount of the second earning ceiling will be approximately \$73,830 i.e., $\$69,000 \times 7\% = \$73,830$.
 - If you earn less than the first earning ceiling, you will not make a second CPP contribution.

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Enhanced CPP

- Beginning in 2019, pensions have increased gradually.
- The approximate increase someone will see in their monthly age-65 retirement pension (2023 base \$1,288.33/month), if they're earning at or above the YAMPE level each year:

Year of Earnings	Maximum Increase		
2019	\$1.61	} \$18.24	} \$59.40
2020	\$3.22		
2021	\$5.37		
2022	\$8.04		
2023	\$10.73		
2024	\$13.72		
2025 and after	\$16.71		

- Increases are cumulative i.e., increase of \$59.40 up to the end of 2025.

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CPP General Drop-Out Provisions

The calculation of your CPP benefit automatically drops a number of years of low or zero earnings from your contributory period:

- contributory period starts at age 18 and ends when you commence receiving your CPP benefit:
 - at age 65: $65 - 18 = 47$
 - at age 60: $60 - 18 = 42$
- 17% of your contributory period, allowing up to 8 years of your lowest earnings to be dropped:
 - at age 65; $47 \times 0.17 = 8$ years; $47 - 8 = 39$
 - at age 60; $42 \times 0.17 = 7$ years; $42 - 7 = 35$

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CPP Child Rearing Provisions

You may apply to have the calculation of your CPP benefit drop several years of low or zero earnings:

- If deemed eligible, the child-rearing period will be excluded from the contributory period. This provision may apply to you if:
 - you have children born after December 31, 1958;
 - your earnings were lower because you either stopped working, worked fewer hours or took a lesser paying job to be the primary caregiver of a dependent child under the age of seven; and
 - you or your spouse or common-law partner received Family Allowance payments or were eligible for the Canada Child Tax Benefit (even if you did not receive the benefit).
- Either spouse or common-law partner can request the child-rearing provision but cannot be used by both parents for the same period of child-rearing.

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Applying for your **CPP** Benefit

- Make sure you qualify:
 - you must be at least 60 years old; and
 - you made at least one valid contribution to CPP.
- Decide when you want your pension to start:
 - as soon as you qualify;
 - age 65 (will start the month after 65th birthday); or
 - specific date of your choice.
- Submit Application:
 - online (MSCA); or
 - paper application.
- Review application status on MSCA or contact Service Canada at 1-800-277-9914

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Old Age Security (OAS)

- Designed to replace approximately 15% of pre-retirement earnings up to the average Canadian wage.
- Flat benefit with eligibility and benefit amount subject to a residency test.
- Qualification age for OAS is age 65 (there is no early qualification age).
- Maximum benefit on October 1, 2023, is \$707.68/month.
- Clawback for pensioners with net income in excess of \$86,912 (100% claw back if your income exceeds \$142,609).
- OAS benefits are indexed four times a year for cost-of-living.

Government Sponsored Benefit Plans

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Old Age Security (OAS)

- Eligibility
- Automatic Enrolment
- Voluntary Deferral of the OAS pension

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OAS Eligibility

- If you are living in Canada, you must:
 - be 65 years old or older;
 - be a Canadian citizen or a legal resident at the time your OAS pension application is approved; and
 - have resided in Canada for at least 10 years since the age of 18.

- If you are living outside Canada, you must:
 - be 65 years old or older;
 - have been a Canadian citizen or a legal resident of Canada on the day before you left Canada; and
 - have resided in Canada for at least 20 years since the age of 18.



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OAS Automatic Enrolment

- Seniors do not need to apply for OAS pension or the Guaranteed Income Supplement (GIS).
- Individuals will be notified by mail if they meet the criteria for automatic enrolment (if no letter is received, senior will need to apply).

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OAS Voluntary Deferral

- Individuals have the option to defer their OAS pension by up to five years past the age of eligibility i.e., age 70.
- OAS pension will be increased by 0.6% per month; 7.2% for each year up to a maximum increase of 36% at age 70.
- Once the receipt of the OAS pension begins, the percentage increase will be applied to the pension permanently.
- Will be a benefit if you continue to work past age 65 and/or if you are subject to OAS claw back i.e., delay receipt until you are at a lower income.

Government Sponsored Benefit Plans

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OAS Voluntary Deferral

How delaying your OAS start date increases the amount you could receive over time

Age	When do you want your OAS to start	Monthly amount you could receive
65	If you don't delay receipt of your OAS	\$707.68
66	12 months x 0.6% = 7.2%	\$758.63
67	24 months x 0.6% = 14.4%	\$809.59
68	36 months x 0.6% = 21.6%	\$860.54
69	48 months x 0.6% = 28.8%	\$911.49
70	60 months x 0.6% = 36%	\$962.44

Government Sponsored Benefit Plans

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OAS Voluntary Deferral

- Consider your personal situation:
 - current and future sources of income;
 - current and future employment status;
 - health, and
 - plans for retirement.
- To delay receiving your OAS pension:
 - go into MSCA and follow the directions; or
 - send a letter to Service Canada.
- To commence your deferred OAS pension, you must complete an application form which is available on the Service Canada website.
- There is no financial advantage in deferring your OAS pension after age 70.

Government Sponsored Benefit Plans

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Guaranteed Income Supplement (GIS)

- Top-up to OAS for low-income seniors.
- Eligibility is means tested based on the income of you and your spouse.

Employer Sponsored Benefit Plans

Defined Contribution Pension Plan for Seasonal and Non-Permanent Part-Time Employees of the City of Saskatoon

How the plan works

- Contributory Defined Contribution Plan; your contributions and the employer's contributions, plus any return on investment, will be used to provide you with income based upon the account balance you have built when you retire.
- Your required contributions:
 - you contribute an amount equal to 5.8% of your earnings up to the YMPE and 7.4% of earnings in excess of the YMPE (i.e., the YMPE for 2023 is \$66,600); and
 - you can make investment choices for your own contributions.
- Employer required contributions:
 - employer contributes an amount equal to your required contributions;
 - prior to age 55, your employer contributions are invested in the Diversified Fund; and
 - after you reach age 55, you have the option to make the investment choices for the employer contributions.

Employer Sponsored Benefit Plans

Defined Contribution Pension Plan for Seasonal and
Non-Permanent Part-Time Employees of the City of Saskatoon

How the plan works

- You have access to 11 investment funds as well as a 5-year guaranteed investment that will enable you to create your own portfolio.
- These investment options have different risk levels.
- To get more information on the available investment options, please refer to My Client Space, the iA Financial Group secure website, at [ia.ca\myaccount](http://ia.ca/myaccount)
Go to the Investments / Available options section.
- If you have never created an account on My Client Space, an information guide on how to register is available under “Employee Essentials” on the MyCity site.
- The Plan is administered by Industrial Alliance (iA).

Employer Sponsored Benefit Plans

Defined Contribution Pension Plan for Seasonal and
Non-Permanent Part-Time Employees of the City of Saskatoon

Information on how the plan works

- Information available under “Employee Essentials” on the MyCity site
- Plan documentation including:
 - Plan Summary
 - Creating and Accessing your Account
 - Enrolment Instructions
 - Questionnaire to Determine your Investor Profile
 - Retirement Simulator
- Videos on My Client Space including:
 - How to use access and use the secure website
 - Investment education
 - How to use the retirement simulator
 - Financial wellness assessment tool

RETIREMENT
PLANNER

ANYTHING
BESIDES THE
THREE LOTTO
TICKETS?

ASSETS

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

How the plan works

- Contributory Defined Benefit Plan; the pension benefit you receive at retirement is defined by a formula based on contributory service and average earnings.
- Income replacement objective at early retirement is approximately 70% of pre-retirement income based on 35 years of service as a plan member.
- Both plan members and the plan member's employer makes contributions to the plan.
- Contributions are invested and held in trust for the benefit of all plan members and their beneficiaries.
- Plan amended in 2014 to change the methodology for calculating benefits accrued after December 31, 2014 i.e., pre-2015 plus post-2014 benefits.

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Average Earnings (AE)

Pre-2015

Highest average 48 consecutive months' earnings (combined base and overtime)

Earnings for part-time members are converted to full time equivalent

Post-2014

Highest average 60 consecutive months' base earnings **PLUS** highest average 84 consecutive months' overtime earnings (starting in 2015)

Earnings for part-time members are converted to full time equivalent



City of Saskatoon General Superannuation Plan

How this works – Example:

Year	Base Earnings	Overtime Earnings	Total Earnings
2017	\$57,352	\$5,000	\$62,352
2018	\$58,785	\$5,000	\$63,785
2019	\$60,255	\$5,000	\$65,255
2020	\$61,761	\$20,000	\$81,761
2021	\$63,305	\$20,000	\$83,305
2022	\$64,888	\$20,000	\$84,888
2023	\$66,510	\$20,000	\$86,510

AE (base earnings)
for post-2014 service
(60 month average)
=\$63,344

AE (overtime
earnings) for post-
2014 service (84
month average)
=\$13,571

AE (base and
overtime earnings)
for pre-2015 service
(48 month average)
=\$84,116

Post-2014 AE = \$76,915

Pre-2015 AE = \$84,116

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Service Accrual

- All service during which a member contributes to the plan.
- For full-time, service is credited in completed months (1 year = 12 months).
- Part-time service is credited in actual time worked in the month (1 year = 6 months based on a 0.50 FTE assignment).



Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Buy Back of Eligible Past Service

- **First Year Buy Back (Pre-1988 Service):** One year waiting period from date first hired as a permanent employee.
- **Buy Back of Approved Leaves of Absence:** Available for maternity and other approved leaves.
- **Cost:** Cost is based upon the actuarial reserve needed to fund the increased pension resulting from the added service credit i.e., approximate cost is 15% - 20% of current salary.
- **Factors to Consider:** Will the purchase move up your eligibility date for retirement? How much will the purchase increase your pension benefit? Can you earn a better rate of return by investing the money instead?

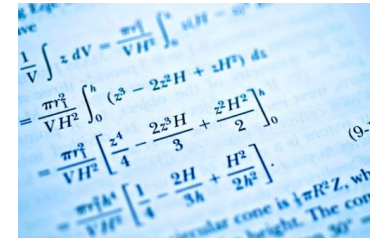
Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Pension Benefit Formula

Lifetime Pension (payable before and after age 65):

- **Jan 1, 1966 to Dec 31, 1989**
 - 2.0% of AE per year of service
- **Jan 1, 1990 to Dec 31, 1993**
 - 1.4% of AE up to the average YMPE plus 2.0% of AE in excess of the average YMPE per year of service
- **Jan 1, 1994 to Dec 31, 2013**
 - 2.0% of AE per year of service
- **Jan 1, 2014 and FORWARD**
 - 1.4% of AE up to the average YMPE plus 2.0% of AE in excess of the average YMPE per year of service



Temporary Bridge Benefit (payable before age 65):

- **Jan 1, 1990 to Dec 31, 1993 & Jan 1, 2014 and FORWARD**
 - 0.6% of AE up to the average YMPE per year of service

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

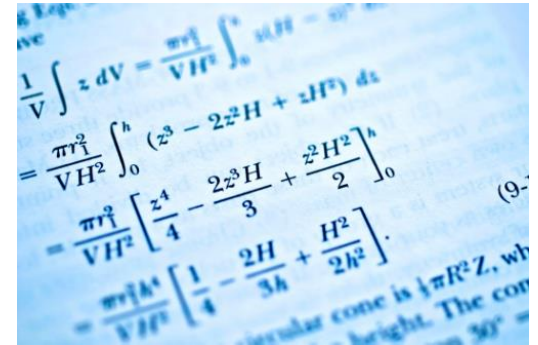
Pension Benefit Formula

Before Age 65

- **Lifetime Pension plus Temporary Bridge Benefit**
 - 2.0% of AE per year of service.

After Age 65

- **Lifetime Pension Only**
 - Temporary Bridge Benefit will cease at age 65.



Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Sample Calculation: Date as of Jan 1/2024

Average Earnings (AE)

Pre-2015: **\$6,000 monthly**

Post-2014: **\$5,917 monthly**

Average YMPE: **\$5,364 monthly**

Earnings (2023): **\$6,250 monthly**

Contributory Service: **300 months (25 years)**

CPP Benefit (average at age 65): **\$773 monthly**

OAS Benefit (at age 65): **\$708 monthly**



Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Sample Calculation @ Age 60 – Before Taxes

Pre-2015

Total Monthly City Pension

$\$6,000 \times .02 \times 16 \text{ years}$

$= \$1,920$

Post-2014

Total Monthly City Pension

$\$5,917 \times .02 \times 9 \text{ years}$

$= \$1,065$

Total Pension: $\$1,920 + \$1,065 = \$2,985$

Replacement ratio: $\$2,985 / \$6,250 = 48\%$

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Sample Calculation @ Age 60 – After Taxes

Total Monthly Income:	\$6,250
Less Income Tax:	(1,071)
CPP:	(355)
EI:	(102)
Union Dues:	(63)
Benefits:	(136)
Pension:	<u>(536)</u>
Net Monthly Income:	\$3,987

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Sample Calculation @ Age 60 – After Taxes

Total Monthly City Pension:	\$2,985
Less Income Tax:	<u>(393)</u>
Net Monthly City Pension:	\$2,592

Replacement ratio: \$2,592 / \$3,987 = 65%

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Sample Calculation @ Age 60 Including CPP (Reduced) – After Taxes

Total Monthly City Pension:	\$2,985
Plus CPP (average reduced 36%):	<u>495</u>
Total Monthly Pension (City plus CPP):	\$3,480
Less Income Tax:	<u>(517)</u>
Net Monthly Pension (City plus CPP):	\$2,963

Replacement ratio: \$2,963 / \$3,987 = 74%

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

How does this income change at age 65?

- Your monthly pension from the plan will reduce at age 65 by the amount of the bridge benefit.
- Your monthly CPP benefit will not change which means that if you applied for CPP at age 60 and are receiving the reduced benefit, the benefit remains reduced for your lifetime.
- OAS payments may begin.



Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Sample Calculation @ Age 65 Including CPP (Reduced) & OAS – After Taxes

Total Monthly Pension (City plus CPP):	\$3,480
Less Temporary Bridge:	
(\$5,364 x .006 x 10)	(322)
Plus OAS:	<u>708</u>
Total Monthly Pension (All Sources):	\$3,866
Less Income Tax:	<u>(615)</u>
Net Monthly Pension (All Sources):	\$3,251

Replacement ratio: \$3,251 / \$3,987 = 82%

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Early Retirement Provisions

Pre-2015

Post-2014

The date that you are first eligible to retire is the earlier of:

- age 55;
- the date your age plus your years of contributory service equals at least 80 (rule of 80); or
- the date you have accrued 35 years of contributory service.

- age 55;
- the date your age plus your years of contributory service equals at least 80 (rule of 80); or
- the date you have accrued 35 years of contributory service.

No Difference

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Early Retirement Provisions

Pre-2015

Post-2014

The date that you are first eligible to retire with an **unreduced** pension is the earlier of:

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• age 60;• the date your age plus your years of contributory service equals at least 80 (rule of 80); or• the date you have accrued 35 years of contributory service. | <ul style="list-style-type: none">• age 62;• the date your age plus years of contributory service equals at least 85 (rule of 85); or• the date you have accrued 35 years of contributory service. |
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City of Saskatoon General Superannuation Plan

How this works – Example:

David has decided to retire on January 1, 2024. At that time, he will be:

- Single
- 55 years old
- 28 years of contributory service (19 years pre-2015, 9 years post-2014)
- Age plus contributory service is 83 years (55 + 28)
- Accrued monthly pension \$2,800 (\$2,000 pre-2015, \$800 post-2014)

Condition	Number of Months from Satisfying Condition	Early Retirement Reduction (0.3% per month)
Age 62	$84 = (62 - 55) \times 12$	N/A
Rule of 85	$24 = (85 - 83) \times 12$	$7.2\% = (0.3\% \times 24)$
35 years of contributory service	$84 = (35 - 28) \times 12$	N/A

This person's total monthly pension, payable on the normal form, commencing January 1, 2024, will be reduced by \$57.60 ($\$800 \times 7.2\%$), therefore, pension is \$2,742.40 ($\$2,800.00 - \57.60)

Retirement Party



“I’ve crunched the numbers in your retirement account. It’s time to figure out who will be wearing the mask and who will be driving the getaway car.”

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Normal Form of Pension Payment:

Pre-2015

Post-2014

Single members: A lifetime pension guaranteed for 10 years

Single members: No change – a lifetime pension guaranteed for 10 years

Married members: A joint & survivor pension, reducing to 60% on the member's death, guaranteed for 5 years

Married members: A joint & survivor pension, reducing to 60% on the member's death, guaranteed for 5 years.

The pension for a married member will be actuarially adjusted in value to equal the normal form of pension for a single member

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

How this works – Example:

Pre-2015 Service (years)	Post-2014 Service (years)	Estimated Reduction in Monthly Pension*
27	1	\$2
23	5	\$12
18	10	\$25
13	15	\$38
8	20	\$51
3	25	\$63
0	28	\$70

* assumes a monthly pension of \$1,000

Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Optional Forms of Pension

- Increase guarantee period from 5 years to 10 or 15 years
- 60% surviving spouse benefit
- 75% surviving spouse benefit
- 100% surviving spouse benefit



Employer Sponsored Benefit Plans

City of Saskatoon General Superannuation Plan

Forms of Pension – Which one should I choose?

- The actual amount of the pension benefit.
- Your overall financial position and your spouse's retirement income.
- The need to provide for dependents in case of death of you and your spouse.
- Your own state of health as well as your spouse's.
- Your spouse's age at retirement – how long until your spouse will become eligible for CPP and/or OAS.
- Potential life expectancy of you and your spouse (consider family history).



Retirement Process

Before Retirement

- Request an estimate from our office based on a specific retirement date:
 - e-mail, mail or pick-up; or
 - one-on-one meeting.
- Submit letter of resignation to department.
- Schedule a confidential appointment with a Benefit Consultant to complete retirement papers.

On & After Retirement

- Complete & sign forms required to set up your monthly pension payment and for severance payment (if applicable).
- Contact health & dental conversion provider within 60 days.
- Notify Benefits Office of:
 - address changes;
 - bank account changes; and
 - tax deduction changes.



Retirement Process

Plan Member

1. Request a pension estimate

- Contact Employee Benefits by phone or email.
- Will require a specific retirement date i.e., first of the month next following your last day of employment or vacation.
- Estimates take approximately 4 to 6 business days to complete.
- Estimates can be forwarded to you through:
 - your personal or City email account;
 - the City's internal mail;
 - mailed to your home address; or
 - you can pick it up.
- Once you review the estimate you may, if you wish, contact Employee Benefits to arrange a one-on-one meeting.
- All requests are confidential.



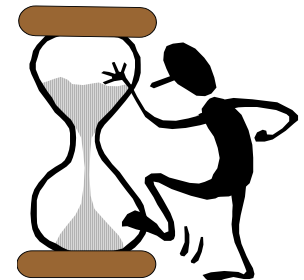
Retirement Process

Plan Member

2. Provide your department with a letter of resignation

- Letter of resignation should specify:
 - the fact that you are leaving and the date when your resignation is effective; and
 - how you would like to receive your unused vacation balance:
 - taken as time off (pensionable); or
 - lump sum refund (not pensionable).

- Retirement date versus last day of employment:
 - Your retirement date is the first day of the month next following your last day of employment or vacation.
 - Your last day of employment is the last day you are physically at work or your last vacation day.

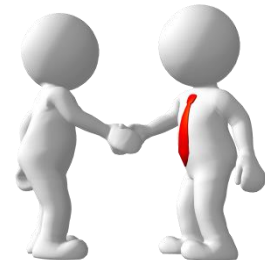


Retirement Process

Plan Member

3. Schedule a one-on-one meeting with a Benefits Consultant

- If married or common-law you will need to bring:
 - spouse's birth certificate, driver's license or any legal document with date of birth;
 - spouse's Social Insurance Number;
 - if legally married, copy of marriage certificate; or
 - if common-law, two pieces of supporting documentation that you and your spouse are jointly responsible for each other's welfare and share financial obligations.
- Void cheque or banking information.
- Contingent beneficiary information including names and birthdates (if under age 18).
- Your spouse or a family member – if you wish.



Retirement Process

Benefits Office

1. Complete & sign required forms:

- election of form of pension;
- election of group life insurance;
- completion of required Federal and Provincial tax deduction forms & Direct Deposit form; and
- election of form of severance payout.

2. Contact health & dental provider:

- you have 60 days after you retire to apply for conversion plans; and
- you inquire with the insurance provider directly.

3. Notify the Benefits Office of:

- address changes, increase or decrease to income tax deduction or change in direct deposit information:
 - payments are deposited directly into your bank account on the last banking day of each month; and
 - Pensioners Direct Deposit Advice & T4As mailed each year.

Retirement Process

Group Life Insurance, Health & Dental

- Blue Cross Conversion Plan - Health and Dental:
 - must apply and purchase coverage within 60 days of retirement;
 - no medical required;
 - premiums paid in full by you; and
 - contact www.sk.bluecross.ca or (306) 244-1192 for more information.

- Saskatchewan Municipal Retiree Association – Health and Dental:
 - must apply and purchase coverage within 60 days of retirement;
 - no medical required;
 - premiums paid in full by you;
 - only for retirees from a municipality; and
 - contact www.smra.info or (306) 682-1615 for more information.

- Great-West Life - \$50,000 Group Term Life Insurance:
 - no medical required;
 - premiums paid in full by you; and
 - term of the insurance is from your retirement date to age 65.



Retirement Process

Severance

- 2% per year for permanent full-time service of accumulated sick leave credit at the date of retirement (to a maximum of 60% of such credit); must have at least 10 years of permanent full-time service
- Payment based on the average rate of pay during the last 10 years of permanent full-time service
- Payment may be directly transferred into an RRSP based on the amount eligible for roll-over for a retiring allowance in accordance with Canada Revenue Agency rules **OR** payment is made by cheque (less applicable withholding tax)

Retirement Process

Severance

- Our office calculates eligibility and severance payout amounts.
- You will be presented with your payout options from which you must make an election.
- You will be provided with the applicable RRSP transfer form (TD2) and instructions for the transfer.
- Payouts are processed 5-10 business days following your retirement date.

Post-Retirement

City of Saskatoon General Superannuation Plan

Post-Retirement Indexing Credits

- Credit is designed to help a retired member's pension keep pace with inflation.
- Available for employees who joined the Plan prior to January 1, 2001.
- 7.2% worth of post-retirement indexing credits for Contributory Service up to December 31, 2000.
- Initial increase is on the first day of January following 12 continuous months of retirement e.g., based on a retirement date of July 1, 2023, post-retirement indexing credit will commence on January 1, 2025.



Post-Retirement

City of Saskatoon General Superannuation Plan

Post-Retirement Indexing Credits

- Annual increases based on the prior year's rate of inflation e.g., if the annual rate of inflation for the current year is 1.0%, monthly pension will be increased by 1.0% on January 1st of the following year.
- If a member had 35 years of service with 12 years of service prior to January 1, 2001, their total indexing credit will be 2.47% ($12/35 \times 7.2\%$). The 1.0% increase is deducted from the 2.47% credit, leaving 1.47%.
- The remaining 1.47% is adjusted for interest based on the Plan's long-term expected rate of return and added to the post-indexing credit for the next year.
- The procedure is repeated each year until the post-retirement indexing credit is reduced to zero.

Pension Income Splitting

www.cra-arc.gc.ca



- Allows you and your spouse to split pension income for the calendar year (up to 50%).
- Advantage of lowering your income and tax rate for the year.
- Depending on your net income, could help to avoid a partial, or full claw back of OAS.
- Your full City pension will continue to be paid to you and you only (income splitting is the responsibility of CRA and is done when you file your tax return).

Retirement Process

Benefits Office

- **Employee Benefits Supervisor:**

Richard Heusdens

Tel: (306) 975-2865, Email: richard.heusdens@saskatoon.ca

- **Benefit Consultants:**

Wenona Kook – General & Seasonal Plans

Tel: (306) 975-3285, Email: wenona.kook@saskatoon.ca

Trina Hordal – Police and Firefighters’ Plans

Tel: (306) 975-3146, Email: trina.hordal@saskatoon.ca

Information on the *City of Saskatoon Pension Plans* can be accessed from any browser under “Employee Essentials” on the MyCity site.



Questions?

