Pension Plan for the Non-teaching Employees of the Saskatoon Board of Education

Member Guide

Saskatoon Public Schools™

Board of Education Pension Guide - What's Inside

The Basics

The Saskatoon Board of Education (the Board) is proud to provide you with a valuable employer-sponsored pension plan - *The Pension Plan for the Non-teaching Employees of the Saskatoon Board of Education* (the Plan). Providing a pension plan to help ensure a financially secure retirement is one of the ways we compensate you for your commitment and contribution to the Board.

This guide contains a summary of the Plan, with the purpose of providing you with a clearer understanding of the pension benefits to which you are entitled as a member of the Plan. There are numerous examples throughout the guide, some of which may not apply to your specific situation.

Note

See Appendix A to help you determine which examples apply to you at retirement.

The information in this guide will answer many of the questions you have about the Plan. However, not all details are provided and this guide does not include any information about Plan B benefits, which you may have if you were hired before February 1, 1978. If you have questions about Plan B benefits or any other topics not covered in this guide, please contact the Payroll Supervisor at 306.683.8240.

This guide is not a legal document and although it has been prepared with great care and attention to detail, the Plan provisions have been simplified and we have highlighted only the major features of the Plan. If there are any discrepancies between this guide and the legal plan text, the terms of the plan text and any legislated requirements will apply in all cases. This guide has been developed based on the terms of the Plan effective January 1, 2015. You may view the official Plan text and other documents associated with the Plan by contacting the Chief Financial Officer at 306.683.8231.

Note

Capitalized words in this guide are defined in the Glossary of Terms.

How Does it Work?

The Pension Plan for the Non-teaching Employees of the Saskatoon Board of Education **is a defined benefit pension plan.**

The Plan pays you a retirement benefit based on a set formula that takes into account your Earnings and your years of Credited Service (Plan membership). The amount of pension income you receive also depends on when you retire; if you retire before your normal retirement age, your pension may be reduced to reflect the longer expected payout period. The amount that you contribute to the Plan does not directly affect the amount of retirement benefit that you will receive from the Plan.

In general, the longer you are a member of the Plan and the higher your Earnings, the more pension you will receive from the Plan, subject to certain legislated limits. The amount of pension that you will receive from the Plan does not vary with the interest earned by the pension fund.

Eligibility and Joining the Plan

Who Is Eligible

You are eligible to join the Plan if you are employed by the Board for service that is not included in a teaching contract and you are not eligible to participate in the Saskatchewan Teachers' Retirement Plan. An eligible employee includes a 10-Month Employee or a 12-month employee.

Permanent Employees

If you are employed on a permanent basis, you are required to join the Plan when you have completed one year of Continuous Service.

Temporary Employees

If you are a temporary employee of the Board, you are permitted, but not required, to join the Plan on the first day of the month after completing two years of employment with the Board, provided that in each of those two years, you earned at least 35% of the Year's Maximum Pensionable Earnings (YMPE) or worked at least 700 hours.

Waiver of Waiting Period

If you have been participating for two continuous years in another registered pension plan immediately before your employment with the Board, you may make application to the Chief Financial Officer to have the waiting period waived.

Internal Transfers

Transfers to the Plan

If you transfer from a position with the Board that was not eligible for participation in this Plan, to a position that is eligible for participation, you will join this Plan on the later of your date of transfer and the date you meet the eligibility requirements.

Transfers from the Plan

If you transfer to a position with the Board that is not eligible for participation in this Plan (e.g. a teaching position), you will become an inactive member. As an inactive member, your Credited Service and Highest Average Earnings are frozen at your date of transfer; however, you will continue to accrue Continuous Service for early retirement eligibility purposes.

Eligibility and Joining the Plan

Joining the Plan

To join the Plan you must complete and sign an enrolment form, which will be provided to you when you become eligible.

Once you have joined the Plan, your membership will continue and you will be required to continue making contributions to the Plan as long as you are employed by the Board.

Designating a Beneficiary

When completing your enrolment form, remember that it is important to designate a beneficiary. This will ensure that in the event of your death, any benefits payable from the Plan will be paid to your Designated Beneficiary – someone you care about, rather than being paid to your estate. Designating a beneficiary is a simple thing to do, however, settling an estate can be an expensive and time consuming process.

If you have a Spouse (including a common-law spouse – please see the *Glossary of Terms* section for more details), pension legislation states that you must designate your Spouse as your beneficiary. If you do not have a Spouse you may designate any person(s), organization or charity as your beneficiary. If you do not designate a beneficiary and you do not have a Spouse, any benefits payable in the event of your death will be paid to your estate. You can change your beneficiary designation at any time by completing and signing a *Change of Beneficiary* form (available from the Payroll Supervisor).

Note that if you wish to remove your former spouse as a beneficiary, proof of separation will be required.

Contributing to the Plan

The Board's Contributions

The Board contributes an amount equal to your required contributions. In addition, the Board will contribute additional amounts recommended by the Plan Actuary, to ensure that there are sufficient assets in the pension fund to pay for your pension benefits. As of September 1, 2015, the Board will be making total contributions equal to $1.12 for every $1.00 contributed by Plan members. This contribution rate will be adjusted from time to time based on the financial status of the Plan.

Remember

Because this is a defined benefit pension plan, the amount you contribute to the Plan does not directly affect the amount of your retirement benefit that you will receive from the Plan.

Your Contributions

All Plan members are required to contribute to the Plan. Your contributions are made automatically through payroll deductions at the rates in the following table.

	Earnings up to YMPE	Earnings over YMPE
January 1, 2015 to August 31, 2015	7.4%	9.5%
On or After September 1, 2015	7.9%	10.0%

After 35 Years

Upon reaching 35 years of Credited Service, you have the option of stopping your contributions or continuing to make your regular contributions. If you choose to stop making contributions, your Credited Service and Highest Average Earnings will be frozen at the date you stop making contributions.

Leaves and Periods of Disability

If you become disabled and are receiving benefits from the Board's disability program, you will continue to earn Credited Service but will not be required to make contributions. If you are on a paid leave of absence, you will continue to contribute and earn Credited Service as usual. If you are on an unpaid leave of absence, you may choose to continue contributions during your leave, but in this case you will need to pay both your contributions and the Board's contributions in order to earn Credited Service for the period of your leave.

Contributing to the Plan

Tax Considerations

Your contributions to the Plan are tax deductible, up to the Income Tax Act limitations. This reduces the amount of income tax that you pay for the year in which you make the contribution. Your contributions to the Plan will be reported on your T4.

Example

- Your annual Earnings are $40,000
- You contribute $2,960 to the Plan this year ($40,000 x 7.4%)
- You are in a 35% tax bracket
- Your contributions to the Plan reduce the amount of income tax you pay for the year by **$1,036** ($2,960 x 35%)

Investment of Your Contributions

Unlike your personal savings, you do not need to make any decisions about investing your pension plan contributions.

All Plan contributions are deposited into a trust fund that is separate from all other Board assets. Professional money managers and investment consultants, in consultation with the Board, are responsible for investing and monitoring the performance of all funds.

Interest Earned on Your Contributions

Each year, interest is added to your contributions. The interest rate that is credited to your required contributions is based on the five-year personal fixed term chartered bank term deposit rates, which is similar to a high-interest savings account.

Retirement

When You Can Retire

Normal Retirement Date

Your Normal Retirement Date is the October 1st coincident with or next following your 65th birthday. Therefore, if you turn 65 on October 1st, then that is your normal retirement date. If your 65th birthday falls before October 1st (for example, July 6th), your normal retirement date is October 1st of that calendar year. If your 65th birthday falls after October 1st, your normal retirement date is October 1st of the following year.

Note that you do not have to wait until your Normal Retirement Date to retire or receive full pension benefits (see *Your Pension Benefits at Early Retirement* in this guide).

Example

- John is Born on November 3, 1952 and will turn 65 on November 3, 2017
- Since John's birthday is after October 1st, his Normal Retirement Date is October 1, **2018**

Early Retirement

You may choose to retire early on the first day of any month provided you are at least age 55 or your age plus years of service is at least 85 (Rule of 85).

Example

- Mary is 53 years old and started working for the Board at age 21 (32 years of service)
- Mary's age (53) plus service (32) equals 85, so she is eligible to retire early

Note that your pension may be reduced if you retire early. Refer to the *Your Pension Benefits at Early Retirement* section of this guide for more details.

Late Retirement

If you continue to work beyond your Normal Retirement Date, you will continue to make contributions and earn additional Credited Service. Refer to the *Your Pension Benefits at Late Retirement* section of this guide for more details. Current legislation requires that you begin receiving your pension no later than the end of the calendar year in which you turn age 71.

Retirement

Disability Retirement

With the approval of the Board, you may choose to retire on the first day of any month if you are totally and permanently disabled and you are not receiving disability benefits from the Board's disability program.

Deciding When to Retire

The decision of when to retire is yours. It is important to remember, however, that your retirement age can have a significant impact on the amount of your retirement pension. Approximately three months before your anticipated retirement date, you should contact the Payroll Supervisor to discuss your options. Your monthly retirement benefits will commence at the end of the month in which you retire.

Note that if you are a 12-month employee and have a vacation pay balance when you retire, this may change the date of your pension commencement.

Estimated Pension Benefits

If you are considering retiring and leaving the Board and you would like an estimate of your current benefits under the Plan, please contact the Chief Financial Officer. Simple estimates of your monthly pension (in the Normal Form) are available upon request at no cost from Payroll Services.

In addition, you are entitled to one free estimate of all of your available pension options during your employment with the Board. Additional full estimates are available, but will be your responsibility to cover the cost of preparation of such estimates.

Your Pension Benefits at Normal Retirement

The amount of your annual pension, payable in the Normal Form of pension and commencing at your Normal Retirement Date is determined based on the following formula:

Pension earned before January 1, 1999:	
A	1.8% **X** your Highest Average Earnings up to your Average YMPE **X** years of Credited Service prior to January 1, 1999
Pension earned after December 31, 1998:	
B	1.6% **X** your Highest Average Earnings up to your Average YMPE **X** years of Credited Service after December 31, 1998
Pension for Earnings above the YMPE	
C	2.0% **X** your Highest Average Earnings in excess of your Average YMPE **X** all years of Credited Service
Your Total Annual Pension:	
A + B + C	

Please see the examples on the following pages for further information.

Example 1: Earnings Below YMPE

- Celine is retiring on January 1, 2016
- She has worked full time since she joined the Plan on January 1, 1986
- Celine's Highest Average Earnings at January 1, 2016 is $42,000
- Her Average YMPE at January 1, 2016 is $51,120
- She has accrued 30 years of Credited Service:
  - 13 years prior to January 1, 1999
  - 17 years after December 31, 1998
- Her pension benefit is calculated as:
  - A: Pension earned before January 1, 1999:
    1.8% X Lesser of $42,000 and $51,120 X 13
    = 1.8% X $42,000 X 13 = $9,828
    plus
  - B: Pension earned after December 31, 1998:
    1.6% X Lesser of $42,000 and $51,120 X 17
    = 1.6% X $42,000 X 17 = $11,424
    plus
  - C: Pension for Earnings above the YMPE:
    2.0% X Excess of $42,000 over $51,120 X 30
    = 2.0% X $0 X 30 = $0

- Total annual pension: A + B + C = $9,828 + $11,424 + $0 = $21,252 per year
- Total monthly pension: $21,252 / 12 = $1,771 per month

Example 2: Earnings Above YMPE

- Renee is also retiring on January 1, 2016
- She too has worked full time since she joined the Plan on January 1, 1986
- Renee's Highest Average Earnings at January 1, 2016 is $62,000
- Her Average YMPE at January 1, 2016 is also $51,120
- She has also accrued 30 years of Credited Service:
  - 13 years prior to January 1, 1999
  - 17 years after December 31, 1998
- Her pension benefit is calculated as:
  - A: Pension earned before January 1, 1999:
    1.8% X Lesser of $62,000 and $51,120 X 13
    = 1.8% X $51,120 X 13 = $11,962
    plus
  - B: Pension earned after December 31, 1998:
    1.6% X Lesser of $62,000 and $51,120 X 17
    = 1.6% X $51,120 X 17 = $13,905
    plus
  - C: Pension for Earnings above the YMPE:
    2.0% X Excess of $62,000 over $51,120 X 30
    = 2.0% X $10,880 X 30 = $6,528

- Total annual pension: A + B + C = $11,962 + $13,905 + $6,528 = $32,395 per year
- Total monthly pension: $32,395 / 12 = $2,700 per month

Maximum Pension – Canada Revenue Agency Limits

The Plan is a registered pension plan, governed by Saskatchewan pension legislation and subject to the rules of Canada's Income Tax Act (ITA). As a result, there are limits to the amount of retirement income that can be paid to you from the Plan.

The ITA limits the amount of annual pension to a maximum of $2,818.89 multiplied by your years of Credited Service. The ITA pension limit of $2,818.89 is fixed until December 31, 2015 and will be adjusted annually thereafter based on the increase in the average industrial wage in Canada.

Your Pension Benefits at Early Retirement

You may choose to retire before your Normal Retirement Date with an immediate pension provided you are at least age 55 or the sum of your age plus Continuous Service is at least 85 (Rule of 85).

If you retire early, you will receive a pension based on your years of Credited Service and Earnings up to your date of early retirement. However, your accrued pension may be reduced based on your early retirement date. This reduction reflects the longer expected period that the pension will be paid due to your early retirement.

Your accrued pension (calculated as described on page 7 of this guide) may be reduced based on your early retirement date, as described on the following page. Note that different reductions apply for Credited Service earned before and after 2015. Your total pension will be the sum of your pension earned before January 1, 2015 and your pension earned after December 31, 2014.

Pension earned for Credited Service before January 1, 2015:	
If you are: ▪ at least age 60 OR ▪ the sum of your age and Continuous Service equals at least 85	You will receive your full pension benefit commencing at your early retirement date. No early retirement reduction will apply.
If you are: ▪ between age 55 and 60 AND ▪ the sum of your age and Continuous Service is less than 85	Your pension benefit will be reduced by 1/6 of 1% for each month (2% per year) that your early retirement date precedes the earliest date that you could retire with a full, unreduced pension. Note that in some cases, a minimum reduction of 3% per year will apply, as required by the Income Tax Act.
Pension earned for Credited Service after December 31, 2014:	
If you are: ▪ at least age **62** OR ▪ the sum of your age and Continuous Service equals at least 85	You will receive your full pension benefit commencing at your early retirement date. No early retirement reduction will apply.
If you are: ▪ between age 55 and **62** AND ▪ the sum of your age and Continuous Service is less than 85	Your pension benefit will be reduced by **5/12** of 1% for each month (**5%** per year) that your early retirement date precedes the earliest date that you could retire with a full, unreduced pension.
Your Total Early Retirement Pension:	
The sum of your pension earned prior to January 1, 2015 and your pension earned after December 31, 2014.	

Example 1

- Mary is 53 years old and started working for the Board at age 21 (32 years of service)
- Mary's age (53) plus service (32) equals 85, so she is eligible to retire early
- No reduction will apply to either her Pre-2015 or Post-2014 pension.

Example 2

- Esther is 60 years old and has been working for the Board for 15 years
- Since Esther has attained age 60, no reduction will be applied to the portion of her pension earned prior to January 1, 2015
- However, there will be a 10% reduction on the portion of her pension that she earned after December 31, 2014, since she is 2 years away from age 62 (5% per year for 2 years)

Example 3

- James is 56 years old and has been working for the Board for 26 years
- Since James is less than age 60 and does not have 85 points (56 + 26 = 82), a reduction will be applied to the portion of his pension earned prior to January 1, 2015.
  James is 4 years away from age 60 and 3 years away from 85 points, so a reduction of 6% will be applied to his pre-2015 pension (2% per year for 3 years).
- For the portion of his pension earned after 2014, there will be a 15% reduction (5% per year for 3 years), since he is 3 years away from 85 points.

Your Pension Benefits at Late Retirement

You may choose to continue working past your Normal Retirement Date and retire at a later date. In this case, your pension will be calculated based on your Credited Service and Highest Average Earnings up to your actual retirement date, unless you stopped contributing at 35 years of service prior to your retirement date.

Remember, legislation requires that you begin receiving your pension no later than the end of the calendar year in which you turn age 71.

Excess Contributions – 50% Rule

If the contributions that you have made to the Plan, accumulated with interest, exceed 50% of the Commuted Value of your pension benefit, the excess amount may be refunded to you, transferred to another registered pension plan or RRSP, or used to provide you with additional monthly pension benefits under the Plan.

How Your Pension is Paid

The pension calculated by the formula on page 7 of this guide is a pension payable in the Normal Form as described below.

Normal Form of Pension Payment

If You Do Not Have a Spouse

If you do not have a Spouse when you retire, the Normal Form of pension is a lifetime pension guaranteed for 5 years. In other words, your retirement pension is payable to you on the last day of each month in equal monthly payments as long as you live. If you die before 60 monthly payments have been made, the remainder of the 60 monthly payments will be paid to your Designated Beneficiary or estate. If your death occurs after 60 monthly payments have been made, all payments will cease with the payment immediately preceding your death.

If You Have a Spouse

If you have a Spouse when you retire, pension legislation requires that you receive a pension with spousal protection – a Joint & Survivor, reducing to 60% on your death. The pension that continues to your Spouse after your death must be at least 60% of your pension amount. For the portion of your pension that was earned after December 31, 2014, the pension amount will be adjusted to be of the same value as the life pension with 5 year guarantee described above.

Your Options at Retirement

When you retire you will have a number of options to consider. Although the **value** of your pension benefit will be the same in all cases, the option you choose will affect the **amount** of your monthly benefit. This means that adding guarantee periods or increasing the spousal benefit will reduce the amount of your monthly pension.

Please Note

Once you are eligible for an immediate pension from the Plan (i.e. Age 55 or 85 points), you will not have the option to transfer out the Commuted Value of your pension benefit. Instead, you will be required to receive a monthly pension from the Plan.

How Your Pension is Paid

In addition to the Normal Form of pension described above, you will be provided with various optional payment forms, including:

Joint & Survivor, continuing at 75% or 100% on your death

This form of pension payment includes a monthly pension paid to you for your lifetime and, upon your death, will continue at 75% or 100% of the original amount to your Spouse, if then living, for the remainder of his/her lifetime.

Life Only

This form of pension is paid for your lifetime only. Your retirement pension is payable to you at the end of each month in equal monthly payments as long as you live. All payments will cease with the payment following the month of your death.

Adding a Guarantee Period to Your Pension

You may also choose to have a 5, 10 or 15 year guarantee period added to any of the optional forms described above. This means that if you die before the guarantee period is over, your Spouse or Designated Beneficiary will continue to receive your full pension payments for the remainder of the guarantee period.

Example

You select a Joint & Survivor pension, reducing to 60% on your death, and guaranteed for 5 years. In this case, you would receive a monthly pension payable for your lifetime and, upon your death, payments will continue at 60% of the original amount to your Spouse, if then living, for the remainder of his/her lifetime. However, if you should die before the 5 year guarantee period is over, your full pension payments will continue to your Spouse or Designated Beneficiary for the remainder of the guarantee period and then reduce to 60% after the guarantee period is over.

For example, if you die three years after retiring and your Spouse is still living, he/she will receive your full monthly pension benefit for two years (the remainder of the guarantee period). Once the guarantee period is over, monthly pension payments to your Spouse will reduce to 60% of the original amount. Alternatively, if your Spouse is no longer living when you die, your Designated Beneficiary will receive your full monthly pension benefit for two years (the remainder of the guarantee period). Pension payments would then end.

How Your Pension is Paid

Level Income Pension

If you retire before age 65, you may choose to receive your lifetime pension as a Level Income Pension, which allows you to receive a higher monthly pension from the Plan until age 65 (when your Canada Pension Plan (CPP) and/or Old Age Security (OAS) benefits begin) and lower pension payments after age 65. This helps to level out your retirement income before and after receiving government benefits. **Note that this option is not normally provided as part of your retirement forms and must be specifically requested when you are retiring or receiving a retirement estimate.** Also note that not every member will be entitled to receive this option, since your initial monthly pension needs to be large enough to support the integration.

Pension Increases After Retirement

After retirement, there is the possibility that your monthly pension will be increased, as described below. Note that, for the purposes of calculating the increase, your pension will be split into two pieces: the amount earned for Credited Service before 2015 and the amount for Credited Service after 2014.

Pension for Credited Service Prior to January 1, 2015

On January 1st of each year, you may receive an increase on the portion of your pension in respect of service before 2015, which will be the lesser of:

- inflation during the last 12 months, and
- the excess, if any, of the Plan's average investment returns during the past three years over 6.0%,

rounded down to the next ¼%.

Pension for Credited Service After December 31, 2014

For the portion of your pension in respect of service after 2014, pension increases are not guaranteed, but are at the discretion of the Board and will likely only be provided if there are sufficient surplus assets in the Plan to grant such an increase.

Please see the following page for an example.

Example

- Ruth retired in 2016 and is receiving a total monthly pension of **$1,700**
  - $1,600 is for service prior to 2015
  - $100 is for service after 2014
- The rate of inflation during 2016 was 2.2% (example only, not actual inflation)
- The average return on plan assets for 2014-2016 was 7.6% (example only, not actual return)
- The Board has decided not to provide an increase on the post-2014 pension, as the Plan is still in a deficit position
- The increase applied to her pre-2015 pension is therefore the lesser of the following, rounded down to the next ¼%:
  - 2.2%, and
  - 7.6% - 6.0% = 1.6%
- The lesser of the two above is 1.6%, which is then rounded down to 1.5%
- Therefore, the increase on January 1, 2017 will be 1.50% on her pre-2015 monthly pension of $1,600, or $24, and there will be no increase for the post-2014 monthly pension of $100
- Ruth's monthly pension starting in January 2017 will be $1,600 + 24 + 100 = **$1,724**

Termination of Employment

If You Have Less Than Two Years of Employment

If your employment with the Board terminates for any reason other than death or retirement, and you have less than two years of Continuous Service with the Board, you will be entitled to the value of your own contributions, accumulated with interest. You will have the option of taking a cash refund or transferring your contributions to an RRSP or other pension plan.

If You Have at Least Two Years of Employment

If your employment with the Board terminates for any reason other than death or retirement, and you have at least two years of Continuous Service with the Board, you will be entitled to the pension benefit accrued to your date of termination. The following payment options will be available to you:

- a Deferred Pension payable beginning on your Normal Retirement Date
- an immediate or Deferred Pension commencing any time following your 55th birthday. If you choose to start your pension early, your monthly pension benefit may be reduced as outlined in the Retirement section
- providing you are not eligible to retire under the Plan at the time your employment with the Board terminates, you will also have the option to transfer the greater of:
  - the Commuted Value of your Deferred Pension, or
  - 166 2/3% of your contributions with interest

  to another registered pension plan or a Locked-in Retirement Account (LIRA)

Note that there are specific limits applied by legislation to the amount of money that can be transferred to another registered pension plan or LIRA, and some of your benefit may need to be taken as a cash refund and would be counted as taxable income.

In addition, you may also be entitled to receive a refund of any contributions that you made to the Plan, accumulated with interest, that exceed 50% of the Commuted Value of your pension benefit. This refund may be taken in cash or transferred to an RRSP, another pension plan or an insurance company for the purchase of an annuity.

Please Note

If you choose to transfer your pension entitlement to another pension plan or a LIRA, a portion of the transfer may be held back in the Plan for up to 5 years, at which point the remainder will be transferred with interest. This is to comply with provincial pension legislation.

Death

Death Before Retirement

Who Death Benefits Are Paid To

If you have a Spouse at the time of your death, all pension benefits will be paid to your Spouse. If you do not have a Spouse, benefits will be paid to your Designated Beneficiary. If you have not designated a beneficiary under the Plan, all benefits will be paid to your estate.

If You Have a Spouse

Death Before Becoming Eligible To Retire

Should you die before becoming eligible to retire under the Plan, your surviving Spouse will be entitled to receive either:

- a monthly pension from the Plan, equal in value to the Commuted Value of your accrued pension, or
- a cash refund or transfer of the Commuted Value of your accrued pension benefit (or 166 2/3% of your contributions with interest, if greater).

Death After Becoming Eligible To Retire

Should you die after becoming eligible to retire under the Plan, your surviving Spouse will be entitled to receive a pension benefit from the Plan. The value of this benefit will be equal to at least 60% of the value of the pension that you would have received had you began receiving your pension on the date of your death. This benefit can be taken as a monthly pension, or the Commuted Value can be taken as a cash refund or a transfer to another pension plan, an RRSP or a LIRA.

Death

If You Do Not Have a Spouse

If you do not have a Spouse at time of death, your Designated Beneficiary will be entitled to receive a lump-sum cash refund as described below. If you have no valid Designated Beneficiary, the benefit will be paid to your estate.

Death Before Becoming Eligible for an Unreduced Pension

Should you die before age 60 and before reaching the Rule of 85, your Designated Beneficiary will be entitled to receive the Commuted Value of your accrued pension.

Death After Becoming Eligible for an Unreduced Pension

Should you die after age 60 or after attaining the Rule of 85, your Designated Beneficiary will be entitled to receive the Commuted Value of the pension that would have payable to a surviving spouse had you retired on your date of death.

Death After Retirement

Should you die after retiring from the Plan, the benefits payable to your surviving Spouse or Designated Beneficiary will depend on the form of pension payment that you selected when you retired. Please refer to the How Your Pension Is Paid section of this guide.

Marriage Breakdown

Division of Pension Assets

Provincial property legislation (i.e., The Family Property Act) governs the division of property on marriage breakdown. Benefits accrued under the Plan may be considered to be family property and could be subject to division under current legislation.

A division of your pension benefits can occur on the breakdown of your marriage if you have a court order or interspousal agreement made pursuant to the Family Property Act. A division of assets can also occur on the breakdown of a common-law relationship.

Alternatives to a Division of Pension Assets

You and your Spouse may elect, or a court may order, a division of your family property in such a way that your pension assets remain intact. For example, you and your Spouse may agree to offset your interest in certain family property against your Spouse's interest in your pension.

Additional Information

If you experience a marriage breakdown, you may require information about the value of your pension assets to aid in the process of dividing your pension or family assets. In this case, please contact the Payroll Supervisor. If requested, the Board will provide you with a statement indicating the value of your pension assets at the appropriate valuation date and for the appropriate period of time.

Past Service Buybacks

Who is Eligible for Past Service Buybacks

If it has been less than 3 years since you were hired by the Board, you have the option to buy back the period of employment with the Board before you became a member of the Plan.

Cost of Buybacks

If you choose to buy back the service as described above, you will be required to contribute the full cost of your pension benefits for the period of service that you are buying back. The Board will not contribute towards this cost.

How to Apply for a Past Service Buyback

For more information about past service buybacks or to apply for a past service buyback, contact the Payroll Supervisor at 306.683.8240 .

Government Benefits

In addition to your pension from this Plan, you may be entitled to receive government benefits as described below.

Canada Pension Plan (CPP)

The maximum CPP pension is 25% of the average of your CPP pensionable earnings (up to the Year's Maximum Pensionable Earnings (YMPE)) in the five years prior to retirement.

It is important to remember that if your annual income has been lower than the YMPE during any of the years you were working, or if you worked intermittently or only for a short time before you retired, your CPP pension may not be at the maximum level.

A CPP pension may commence at any time after age 60. If you choose to commence your CPP pension before age 65, your pension will be reduced to reflect the longer expected payment period. Starting January 1, 2016 the early retirement reduction will be 0.6% for each month between the date of commencement of your CPP pension and age 65 (for 2015, this reduction is 0.58% per month).

If you continue to work after age 65, you have the option of applying for a CPP pension beginning at age 65 or continuing to contribute to the CPP and commencing your CPP pension when you actually retire. If you choose to delay the start of your CPP pension beyond age 65, your monthly pension entitlement will be increased by 0.7% for each month between age 65 and the date of commencement of your pension, up to age 70.

Note that CPP benefits are increased annually to reflect cost-of-living increases.

Applying for CPP

Three months before the later of your 60th birthday or your anticipated retirement date, you should apply for your CPP pension. For more information about how to apply for your CPP retirement pension visit the Service Canada website at
http://www.servicecanada.gc.ca/eng/services/pensions/cpp/retirement/index.shtml
or call toll-free 1.800.277.9914 (TTY: 1.800.255.4786).

Government Benefits

Your CPP Statement of Contributions

The CPP Statement of Contributions provides a summary of your contributions and an estimate of the value of your benefits. In it you will be provided with the following information:

- a history of the employment income on which your contributions to the CPP were based since you entered the workforce,
- the amount of monthly pension to which you will be entitled at age 65 if you continue to contribute to the Plan, based on your current contributions until that age,
- the amount you would receive should you become disabled and unable to perform substantially gainful employment, and
- the amount your estate would receive upon your death.

The Statement of Contributions is an important retirement tool. To obtain a copy of your CPP Statement of Contributions visit the Service Canada website at http://www.servicecanada.gc.ca/eng/services/pensions/cpp/contributions/soc.shtml or call 1.800.277.9914 (TTY: 1.800.255.4786).

Old Age Security Pension (OAS)

OAS pensions are paid to all Canadians who meet the age and residency requirements. OAS benefits are adjusted quarterly to reflect changes in the cost of living. The maximum level of benefit at July 1, 2015 is $564.87 per month.

Applying for OAS

You should apply for the Old Age Security pension six months before you retire. For more information about how to apply for the Old Age Security pension visit the Service Canada website at http://www.servicecanada.gc.ca/eng/services/pensions/oas/pension/index.shtml or call toll-free to 1.800.277.9914 (TTY: 1.800.255.4786).

Other Information About the Pension Plan

Plan Registration Details

The official name of the Plan is the Pension Plan for Non-teaching Employees of the Saskatoon Board of Education.

The Plan is registered with the Canada Revenue Agency for tax purposes. The Plan is also registered with the Pension Benefits Act, 1992 (Saskatchewan) (the Act). The Act ensures that legislated benefit provisions, funding and financial requirements are met by the Plan. The Plan's registration number is 0535112.

Your Right to Documents and Information

Description of the Plan

As a member of the Plan, you are entitled to receive a written description of the Plan – this guide fulfills that requirement. The official plan text outlines, in more detail, the benefits provided by the Plan and is available to all employees. For a copy of the full plan text please contact the Chief Financial Officer.

Annual Pension Statements

You are entitled to receive an annual pension statement outlining your participation and benefits under the Plan. Your personal annual pension statement is prepared at December 31st and will be provided to you by June 30th each year. Because your Spouse also has rights to your Plan benefits, they are also entitled to review these documents.

Your Privacy

In order to administer the Plan, the Board must collect certain types of information from you. This information must also be shared with the other organizations that help the Board administer the Plan. Your personal information will be treated as private and confidential and will only be used for the purpose for which it has been collected.

Other Information About the Pension Plan

Security of Your Pension

The Plan's assets are held in a trust, separate and apart from the assets of the Board. This means that no creditor of the Board will have access to the Plan assets.

Your pension entitlement is also safe from your creditors. It cannot be subject to garnishment until you begin receiving it as a monthly pension. You cannot use your pension entitlement for collateral on a loan or mortgage. However, in the event of a marital breakdown, whether legal or common-law, your pension entitlement may be counted as part of the family property and could be subject to division under provincial property legislation.

The Board's Right to Amend the Plan

The Board intends to maintain the Plan indefinitely, but reserves the right to amend the Plan or terminate the Plan either in whole or in part. In the event the Plan is terminated, the Plan's assets will be used to first provide the pension benefits outlined in the plan text to the members, surviving Spouses and beneficiaries.

Should the Plan be amended in a significant way, the Board must provide you and your Spouse with written notice and an explanation of the changes.

For More Information

If you have any questions about the information in this guide or if you would like more information about your benefits in particular, please contact the Chief Financial Officer at 306.683.8231.

Glossary of Terms

10-Month Employee

A person who is continuously employed by the Board on a permanent basis, pursuant to a contract of employment that requires the employee to provide services for 10 months in each calendar year.

Average YMPE

The average of the YMPE's in effect for the same period used to determine your Highest Average Earnings.

Commuted Value

The lump-sum present value of a stream of pension payments, determined in accordance with accepted actuarial practice.

Continuous Service

Your years and months of continuous employment since being hired by the Board regardless of full-time/part-time status. Includes leaves and layoffs that are not included in Credited Service.

Credited Service

Your years and months of service with the Board during which you made contributions to this Plan and to the Prior 10-Month Plan. If you are a part-time employee, you will receive partial Credited Service based on your actual hours worked. For 10-month employees, your service is adjusted upwards so that 10 months of service provides you with a full year of Credited Service.

Deferred Pension

A pension determined at termination of employment or death that is payable commencing on a later date.

Designated Beneficiary

The person(s) or estate that you have named to receive any benefits on your death. If you wish to change your Designated Beneficiary, contact the Payroll Supervisor. If you do not designate a beneficiary, any benefits that become payable on your death would be payable to your Spouse or estate.

Glossary of Terms

Earnings

The gross amount of compensation paid by the Board to a Plan member. For periods of leave where a member is disabled, Earnings will be determined as the rate of Earnings the member was receiving immediately prior to the leave.

Highest Average Earnings

The average of your best five calendar years or 60 consecutive calendar months of Earnings during your membership in the Plan. If you have been a member of the Plan for less than five years, your entire period of membership will be used to calculate this amount. Note that part-time Earnings are adjusted upward to the full-time equivalent Earnings for the purposes of determining your Highest Average Earnings.

Locked-In Retirement Account (LIRA)

A restricted form of an RRSP designated for locked-in pension funds. You do not receive retirement income directly from a LIRA. When you are ready to retire, the funds in your LIRA must be transferred to a prescribed Registered Retirement Income Fund (RRIF) or used to purchase an annuity from an insurance company.

Normal Form

The default method of paying your monthly pension at retirement, which differs depending on your marital status. The Normal Form is described in further detail on page 15 of this guide.

Normal Retirement Date

Your Normal Retirement Date, as defined by the Plan, is the October 1st coincident with or next following your 65th birthday.

The Plan

The Pension Plan for the Non-teaching Employees of the Saskatoon Board of Education.

Plan Actuary

An actuary is a person who is professionally trained in the technical and mathematical aspects of pension plans. Some of the duties of an actuary include estimating how much money must be contributed to the Plan each year in order to ensure that the benefits will be payable in the future and calculating the value of a pension at a present or future date. The Plan Actuary, a Fellow of the Canadian Institute of Actuaries, has been appointed by the Board to perform such duties for the Plan.

Glossary of Terms

Registered Retirement Income Fund (RRIF)

This type of retirement vehicle arrangement allows an individual to receive taxable income from the fund (subject to minimum withdrawal requirements) while retaining control of investments and investment earnings on a tax-sheltered basis.

Registered Retirement Savings Plan (RRSP)

A contract between you and an insurer, trust company or other authorized carrier under which you make contributions to the RRSP for the purpose of providing you with a retirement income. You can make tax deductible contributions to a RRSP subject to Income Tax Act limitations.

Rule of 85

The condition that allows for you to retire early with no penalties when your age plus years of Continuous Service totals at least 85.

Spouse

A person to whom you are legally married, or, if you are not legally married, a person with whom you have cohabited as your Spouse for at least one year.

Year's Maximum Pensionable Earnings (YMPE)

The earnings on which CPP contributions and benefits are calculated. YMPE changes each year according to a formula using average wage levels. YMPE is published annually by the Canada Revenue Agency. The YMPE for 2015 is $53,600.

Appendix A: Retirement Quick-Reference Guide

Which Examples Apply to Me?

This section is intended to help you quickly identify which pension calculations apply to you **at retirement**. There are two components to this: the first is the basic pension calculation and the second is the reduction that may apply if you are retiring early.

Basic Pension Calculation:

The basic pension calculation examples are on pages 9 and 10. For most members, the example on **page 9** will apply to you, unless you are a higher-earning member with income over the YMPE, in which case the example on **page 10** will be applicable.

Early Retirement Reductions:

The following flowchart can be used to determine which early retirement reductions, if any, will apply to your basic pension calculation when you retire.