

**EMPLOYEE BOOKLET FOR
THE SOUTH SHORE REGIONAL CENTRE FOR EDUCATION
CUPE STAFF PENSION PLAN**

(Established April 1, 1978)

Updated October 2019

SOUTH SHORE REGIONAL CENTRE FOR EDUCATION CUPE STAFF PENSION PLAN

The South Shore Regional Centre for Education and its predecessors (the “Employer”) have provided pension benefits for its CUPE staff since April 1, 1978.

In addition to the benefits from this Plan, you may also receive the pensions provided by the *Canada Pension Plan* and the *Old Age Security Act*.

The South Shore Regional Centre for Education CUPE Staff Pension Plan (the “Plan”) is registered under the *Income Tax Act*. Accordingly, contributions made by you are deductible for income tax purposes.

The following pages describe the main provisions of the Plan. Please read them carefully so that you will be familiar with all the benefits to which you might be entitled. However, if there should be any conflict between this description and the official text of the Plan, the official text will govern in all cases. You may arrange to look at a copy of the official text by contacting the Employer.

A. **ELIGIBILITY**

You are required to join the Plan after the completion of 60 days of service with the Employer.

B. **CONTRIBUTIONS**

(i) **Member Contributions**

You are required to contribute, toward the cost of your pension benefits, an amount equal to 6.71% of your earnings. This contribution represents 45% of the cost of the benefits accruing under the Plan. The Employer pays the other 55% and is responsible for funding any shortfalls that may occur in the future. Your actual contribution rate may change over time as the cost of the benefits accruing changes, but will remain at 45% of that cost.

Subject to certain limits in the *Income Tax Act*, you may also elect to make additional voluntary contributions to the Plan in order to receive additional pension benefits. Any additional voluntary contributions that you make will be held in a separate account in

your name and will be credited with interest at the rate described in paragraph (iv) below.

(ii) Employer Contributions

The Employer will contribute each year amounts necessary to provide for the cost of pension benefits accruing to Members during the year and to amortize the cost of any unfunded benefits accrued to date. No employer contributions will be made while a surplus exists which exceeds the cost of benefits accruing in the next two years.

(iii) Interest on Member Required Contributions

Your required contributions to the Plan are credited with interest at the end of each Plan Year at a rate corresponding to the average rate of interest payable on 5-year personal fixed term chartered bank deposits in effect for the 12 month period ending in December of the Plan Year. Contributions made in the current year receive a pro-rata share of the annual rate.

(iv) Interest on Additional Voluntary Contributions

Additional voluntary contributions to the Plan are credited with interest at the end of each Plan Year at a rate corresponding to the rate earned by the pension fund. Contributions made in the current year receive a pro-rata share of the annual rate.

(v) Interest Calculations During a Plan Year

When an event occurs that requires interest to be credited on required contributions or additional voluntary contributions during a Plan Year, interest for the partial Plan Year is credited using a pro-rata share of the annual interest rate from the last complete Plan Year.

C. RETIREMENT DATES

Normal retirement date is the first day of the month coincident with or next following your 65th birthday.

You may elect to retire early with a reduced pension at any time after reaching age 55. The reduction is described below in Section D “Amount of Pension”.

With the agreement of the Employer, you may postpone your retirement beyond age 65 on a year-to-year basis but not beyond the end of the year in which you reach age 71. You continue

to contribute and earn benefits during this period of postponement.

D. AMOUNT OF PENSION

The annual amount of pension payable on retirement on or after your 65th birthday will be equal to the total of (i) and (ii) as follows:

(i) For Service to December 31, 2002

2% of your 2002 earnings multiplied by your years of credited service to December 31, 2002.

(ii) For Service from January 1, 2003

2% of your earnings while accruing credited service after December 31, 2002.

If you retire prior to age 65, you will receive, commencing on the 1st day of the month coinciding with or next following your early retirement date, a pension determined as above, but reduced by 1/2% for every month (up to 60 months) that you retire prior to age 65, and by 1/3% for each additional month over 60 months that you retire prior to age 65. For example, if you retired on the day you turned 58, your pension would be reduced by 38% [(60 months * 1/2% = 30%) + (24 months * 1/3% = 8%)]. The reduction reflects the fact that payments are starting earlier than anticipated and will therefore be made over a longer period of time.

However, if you terminate employment before age 65, you may elect to postpone commencement of pension payments until your normal retirement date, in which case there will be no reduction in your pension.

E. MINIMUM BENEFIT

You are guaranteed that your required contributions made to the Plan after December 31, 1987, with interest, will not be used to provide more than 50% of the value of the benefits you earn in respect of your service from that date. Any “excess contributions” will be refunded to you on your retirement or termination of employment, as applicable.

F. BENEFITS ON TERMINATION

(i) Pension Options

If you terminate employment you will receive a deferred pension payable at your normal retirement date.

You also have the option to commence receiving a reduced early pension starting the 1st day of any month after you reach age 55.

(ii) Transfer Options

If you terminate employment before age 55 (that is, before you are eligible to retire) you may elect, rather than receiving a pension from the Plan, to have the value of your pension transferred to:

- a locked-in retirement account (LIRA); or
- the pension plan of your new employer, if your new employer's plan accepts transfers; or
- a life insurance company to purchase a deferred life annuity.

If you have made additional voluntary contributions to the Plan, these contributions, with interest, will be refunded as a lump sum cash benefit, transferred to a non-locked-in RRSP or used to purchase an additional pension from a life insurance company.

G. BENEFITS ON DEATH

(i) Beneficiary Designation

You may designate a beneficiary to receive the benefits which are payable from the Plan in the event of your death. However, please note that, under the *Nova Scotia Pension Benefits Act*, there are rules that limit your beneficiary designation, as follows:

- if you have a spouse (please review the definition of “spouse” outlined below), your spouse **must** receive any death benefits that are paid from the Plan on your behalf, unless your spouse has waived his or her entitlement to those death benefits using the prescribed forms;
- if you have a spouse and your spouse has *not* waived his or her entitlement, you may still designate any other person as your beneficiary but that person will not

receive any death benefits unless you no longer have a spouse at the time of your death;

- if you do not have a spouse, you may designate any person as your beneficiary;
- if you do not have a spouse and do not designate a beneficiary, any death benefits that are paid from the Plan on your behalf will be paid to your estate.

The definition of “spouse” in the Nova Scotia *Pension Benefits Act* determines who is your spouse for pension purposes. Please review the following definition carefully:

- (1) the person to whom you are married;
- (2) the person to whom you are married by a marriage that is voidable and has not been annulled by a declaration of nullity;
- (3) the person with whom, in good faith, you have gone through a form of marriage that is void and with whom you are cohabiting or with whom you have cohabited within the immediately preceding twelve-month period;
- (4) the person with whom you have entered into a registered domestic partnership under the Vital Statistics Act; or
- (5) If not married, the person with whom you have lived in a conjugal relationship for a period of:
 - a. At least 3 years if either of you are married, or
 - b. At least 1 year if neither of you are married

Note: If you are not formally divorced from your legal spouse and have not finalized a division of property, he or she will be recognized as your spouse under the pension plan, even if you are legally separated or no longer living together.

If you have a question about your particular circumstances and the descriptions outlined above do not seem to apply, you should contact the Employer for more information. You should advise the Employer of any changes in your spousal status or if you wish to change your beneficiary.

(ii) Benefits on Death Before Retirement

If you have a spouse your spouse will receive a refund equal to the greater of:

- (1) your required contributions to the Plan, with interest; or

(2) 100% of the value of the pension earned to the date of your death.

If at the date of your death you have reached age 55, your spouse may elect, instead of the refund described above, to receive a lifetime pension with the guarantee that a minimum of 120 payments will be made from the Plan. Therefore, if your spouse dies prior to receiving 120 payments, the remaining payments will be made to your spouse's beneficiary.

If you do not have a spouse your beneficiary will receive a lump sum payment in the amount of 100% of the value of the pension earned to the date of your death.

If you have made additional voluntary contributions to the Plan, these contributions, with interest, will also be paid to your spouse or beneficiary on your death.

(iii) Benefits on Death After Retirement

(1) Member Without a Spouse

The normal form of pension is payable for your lifetime, with the guarantee that a minimum of 120 monthly payments will be made in total. As a result, if you die before 120 monthly payments have been made, your beneficiary will continue to receive pension payments until 120 monthly payments have been made in total.

(2) Member With a Spouse

If you have a spouse at the date of your retirement, you are required under provincial pension legislation to elect an automatic form of pension that is paid during your lifetime and continues after your death to your spouse for his or her lifetime, in 60% of the amount of the pension you receive. The amount of your pension payable under this form will be adjusted so that it is actuarially equivalent to the normal form of pension described above.

(3) Optional Forms of Pension

Instead of the normal forms of pension described above, you may choose to receive a pension in a different form. However, if you have a spouse, your spouse is required to waive in writing the entitlement to the normal form of pension if the form of pension you choose does not provide a lifetime benefit to your spouse of 60% or more of the amount of your pension. If you have chosen an optional form of pension on retirement, the benefit payable to your

spouse or beneficiary after your death will be determined in accordance with the option you chose. The amount of your pension payable under an optional form will be adjusted so that it is actuarially equivalent to the normal forms of pension described above.

H. GOVERNMENT PENSION BENEFITS

In addition to the Plan benefits previously described, you may be eligible for pension benefits under the *Canada Pension Plan Act* when you reach age 60 and the *Old Age Security Act* when you reach age 65.

(i) *Canada Pension Plan Act ("CPP")*

The maximum annual CPP benefit to which you will be entitled at age 65 can be estimated as 25% of the average of your last 5 years of earnings, subject to maximum levels of earnings. The maximum CPP benefit payable to those retiring at age 65 in 2019 is \$13,655 a year. Payment of CPP benefits may be as early as age 60 in a reduced amount, or may be delayed past age 65 to as late as age 70 in an increased amount.

Starting in 2019, CPP is being gradually enhanced. Contributions to CPP and benefits payable from CPP will gradually increase until 2025. Your pension will increase based on how much and for how long you contribute to the enhanced CPP.

For more information on CPP enhancements, you can visit the Government of Canada's website at:

<https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-enhancement.html>.

(ii) *Old Age Security Act ("OAS")*

OAS benefits become payable at age 65. The maximum OAS benefit payable to someone retiring at age 65 is \$7,362 per year as at October 1, 2019. Payment of OAS benefits may be delayed past age 65 to as late as age 70 in an increased amount. If your total retirement income exceeds a certain threshold, your OAS benefit will be clawed back.

The pensions under both the CPP and the OAS programs are adjusted by cost of living increases on a regular basis.

You should receive information regarding your CPP and OAS benefits by mail shortly after your 64th birthday. If you wish to start receiving CPP and OAS benefits at age 65 or later, all you need to do is follow the instructions you are provided with. If you wish to receive CPP benefits before age 65, or if you do not receive information regarding your CPP or OAS benefits by 6 months before your 65th birthday, you should apply for these benefits 6 months before you wish to receive them. For more information on government benefits, you can visit their website at:

<https://www.canada.ca/en/services/benefits/publicpensions.html>.

I. PROOF OF AGE

You will be required to provide proof of age for yourself and your spouse, if applicable, before benefits from the Plan are paid. A birth certificate, baptismal certificate or passport is the best proof of age. If you do not have these, you may obtain information about other acceptable proof of age from the Employer.

J. FUTURE OF THE PENSION PLAN

The Employer expects the Plan to be permanent, but necessarily reserves the right to amend or discontinue the Plan in whole or in part if, in the opinion of the Employer, future conditions should warrant such action. However, this would not affect the benefits earned up to the date of the change.