



Money Purchase Plan

The Money Purchase Plan is CSSB's in-house, tax-sheltered savings account. It's like an RRSP or a Locked-in Retirement Account (LIRA).

How it works

Plan holders get guaranteed monthly interest. They also benefit from the investing power and diversified portfolio of the larger \$9.1 billion Civil Service Superannuation Fund (CSSF). If the Fund's rate of return is higher than the guaranteed interest rate, plan holders get more interest.

Eligibility

Members leaving our plan

- If you've stopped working for a CSSF employer, transferring your pension to the Money Purchase Plan is one of four options. For more information, see the section **leaving employment** on our website.

Members joining our plan

- If you're a new CSSF member, you can transfer funds from a previous employer's pension plan within one year of your enrolment date.
- Your funds must be transferred directly from your other employer's pension plan.

Plan benefits and features

- ✓ Guaranteed monthly interest
- ✓ Potential additional interest
- ✓ No taxes on growth (until withdrawal)
- ✓ Option to withdraw or transfer funds (may be subject to tax)
- ✓ Use Money Purchase Plan funds to buy pensionable service (e.g., buyback for a leave of absence)
- ✓ Flexible (move all your money anytime; partial withdraws also available but limited)

Fees

- Management fee: 3% (annual)
- Administration fee: 0.25% (annual)
- Administration expense fee: 2% (when converting to annuity)

IMPORTANT : Plan holders can't make additional voluntary contributions to their Money Purchase Plan.

Interest and rate details

Plan holders get guaranteed monthly interest. At the end of the year, if the monthly interest credited is less than the CSSF rate of return, additional interest is given.

Money Purchase Plan accounts get two types of interest:

1 Guaranteed monthly

The guaranteed monthly interest is based on the Bank of Canada five-year personal fixed-term rate (pro-rated monthly).



2 Potential additional interest adjustment (if CSSF outperforms)

If CSSF earns more than the guaranteed monthly interest rate, additional interest is credited at year end (minus a 3% management fee).

Example

$$\text{CSSF earns 16\%} \text{ — } \text{3\% management fee} \text{ = } \text{13\%}$$

— minus

$$\text{* guaranteed monthly interest} \text{ = } \text{3.2\%}$$

January to December (already applied to account)

$$\text{Total additional interest adjustment at year end} \text{ = } \text{9.8\%}$$

(13% – 3.2%)

Example

If the Bank of Canada five-year personal fixed-term rate for January 2025 was 2.65%, we divide this by 12 to get a pro-rated monthly interest rate of 0.22%. That's the interest rate for January 2025. The admin fee (0.020834%) is deducted from the account balance each month before interest is applied to the account.

*The additional interest (9.8%) takes into account the guaranteed monthly interest already applied to the Money Purchase Plan account.

Withdrawals made before the annual interest adjustment is determined will not get the additional interest.

Money Purchase Plan interest rates (includes management fee deduction)

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
8.58%	13%	7.39%	2.55%	7.58%	5.66%	10.44%	1.19%	7.59%	2.41%

Withdrawal options

CSSB withholds tax on cash refunds. Options depend on whether funds are locked-in (according to *The Pension Benefits Act of Manitoba*) or non-locked-in.

Locked-in funds

- Leave in Money Purchase Plan until eligible for annuity
- Transfer to LIRA
- Transfer to Registered Pension Plan where funds remain locked-in
- Transfer to Life Income Fund if 55+
- Combination of choices above

Non-locked-in funds

- Withdraw as cash (minus tax)
- Transfer to RRSP
- Transfer to Registered Pension Plan
- Leave in Money Purchase Plan until eligible for annuity
- Combination of choices above

Start a monthly lifetime annuity

Plan holders must apply in writing to start receiving a monthly lifetime annuity.

NOTE: The annuity **does not** increase with cost-of-living adjustments.

Eligibility

- 55+ and no longer working for a CSSF employer
- Totally and permanently disabled before age 55

Get an estimate

Plan holders can get an estimate through Online Services or from CSSB if they are within 90 days of wanting to start the annuity.

Annuities are based on three factors:

- Account balance
- Age
- Interest rates

Payment details

- Payments start the month after retirement.
- Deposits are made on the second-last banking day of each month.
- Plan holders can choose the same annuity options as CSSF (e.g., half to survivor).
- Plan holders must apply for an annuity by November 30 in the year they turn 71 or CSSB will start payments automatically with default options.
- If the Money Purchase Plan provides a payment below *The Pension Benefits Act* small benefit amount, non-locked-in funds are refunded as a lump sum.

How to apply

New members

New CSSF members transferring funds from a previous employer's pension plan must complete these forms (available from CSSB):

- Request to transfer funds to the Civil Service Superannuation Board Money Purchase Plan
- Canada Revenue Agency (CRA) T2151 (provide to administrator of your previous employer's pension plan)
- CRA T2033 (or written equivalent) must be completed for Group RRSP transfers (provide to administrator of former employer's pension plan)

The Money Purchase Plan is subject to Manitoba pension legislation. Because of this, CSSB can't accept locked-in funds that must be managed under the laws of a different jurisdiction.

Members leaving the plan

Current members who are leaving their employer (and the pension plan) will receive forms from CSSB as part of their package.



Death of a plan holder

If a plan holder dies before applying for an annuity, their spouse has four choices:

- Transfer the funds out
- Take an immediate lifetime monthly annuity
- Take a deferred monthly lifetime annuity, starting before the end of the year they turn 71
- Take a cash refund on non-locked-in funds

If there is no spouse or common-law partner, a refund is made to the plan holder's estate. If a plan holder dies after applying for an annuity, future payments depend on the option chosen when the application was made (e.g., lifetime, half to survivor).

This fact sheet gives general information, not advice. If there's a difference between what is in this document and the governing legislation, the legislation applies.

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