

## ***In this issue...***

### ***Front page***

- ▶ July 2021 Cost-of-Living Adjustments
- ▶ CSSB Board Member Change
- ▶ COVID Update - CSSB Office Remains Closed to the Public

### ***Page 2***

- ▶ Keep Your Contact Information Up to Date
- ▶ Pension Benefit and Act Changes
- ▶ Reminders About Your Deferred Pension

### ***Page 3***

- ▶ Reminders About Your Deferred Pension cont'd

### ***Page 4***

- ▶ Reminders About Your Deferred Pension cont'd
- ▶ Seasons Greetings

## ***July 2021 Cost-Of-Living Adjustments***

The Board approved a 0.49% Cost-of-Living Adjustment (COLA) for eligible pension recipients and members with a deferred account, effective July 2021.

This increase is equal to 2/3 of the increase in the Canadian Consumer Price Index for 2020, which was 0.73%.

The actuary has continued to express concern that, unless changes are made, the Account will not be able to meet the target of granting additional COLA's each year at the rate of 2/3 of the increase in the Consumer Price Index. The Board shares this concern.

The Superannuation and Insurance Liaison Committee, which represents plan members in negotiating plan benefits, is studying the sustainability of the COLA Account.

## ***CSSB Board Member Change***

In January 2021, Mr. Andrew Clarke resigned from his employer representative position with the Board. A search for a replacement is currently in process. The Board would like to thank Mr. Clarke for his efforts and contribution.

## ***COVID Update - CSSB Office Remains Closed to the Public***

In response to the COVID-19 pandemic, the Civil Service Superannuation Board office will remain closed to the public until further notice. All in-person meetings and seminars will be cancelled until at least the end of 2021. We'll be happy to continue to assist you by telephone or email.

You can also obtain pension and termination estimates or view an online pre-retirement seminar by logging in to your CSSB Online Services account.

## **Keep Your Contact Information Up to Date**

To ensure that you continue to receive relevant information from the CSSB, please be sure to keep your contact information with CSSB up to date. This includes keeping your Primary email address and home mailing address current using the Online Services **Edit my Profile** feature.

If your Primary email address for Online Services is your work email, you may prefer to change it to your home email address. This will ensure you continue to receive relevant emails from the CSSB if you leave your employment or will be away from the office for an extended period.

## **Pension Benefit Act Changes**

All pension plans in Manitoba, including the Civil Service Superannuation Fund, must comply with the provisions of the Manitoba Pension Benefits Act (PBA) and its Regulations. The PBA and Regulations were amended effective October 1, 2021. Most of the changes to the PBA and Regulations have no effect on the Civil Service Superannuation Fund.

A number of the amendments provide individuals with more options to unlock their pension accounts, however these changes either apply specifically to Locked-in Retirement Accounts or only apply if permitted under the terms of the pension plan. None of these unlocking options apply to the Civil Service Superannuation Fund.

The most significant change that may affect plan members relates to the division of a member's pension due to a relationship breakdown (ie, a marriage or eligible common-law relationship). The change applies to relationship breakdowns where the separation date is on or after October 1, 2021.

Prior to the PBA amendment, three options existed for dividing a member's pension:

- ▶ The pension accrued during the relationship could be split 50/50, or
- ▶ If both parties had a pension, the net difference between the two pensions could be split 50/50, or
- ▶ The parties could waive division of the pension.

These options continue to apply where the separation date is prior to October 1, 2021.

Where the separation date is on or after October 1, 2021, the parties will choose what percentage of the pension accrued during the relationship is to be assigned to the former spouse or common-law partner. This percentage can be between 0% to 50%, and must be specified in an agreement between the parties or by an order of the court made under the Family Property Act.

## **Reminders About Your Deferred Pension**

**Retirement** – You can apply to start receiving your deferred pension as early as age 55, or you can continue to defer the pension until the end of November in the year you turn age 71.

Early retirement reductions may apply, depending on your length of employment and your age at retirement. You can obtain estimates of your pension at various commencement dates through your CSSB Online Services account or by contacting the Board office.

## **Reminders About Your Deferred Pension cont'd**

Deferred pensions do not commence automatically when a member becomes eligible. To receive the pension, you must submit a completed Notice of Retirement (prescribed form available from the Board or through the member's Online Services account) to the Board office prior to the pension commencement date.

Deferred pensions are paid from the date of retirement, but no sooner than the date the Board receives a completed Notice of Retirement, and are not paid retroactively.

In order to select an optional form of pension, you must submit valid pension option forms, and waiver forms where applicable, before the date you want your pension to commence. Otherwise, default options will apply.

Retirement forms can be completed on paper by contacting the Board office, or through your CSSB Online Services account.

**Cost-of-Living Adjustments** – A cost-of-living adjustment (COLA) may be credited in the second calendar year following the termination date for which the deferred pension was established, and each July thereafter until retirement. These adjustments are limited to the extent that the COLA Account is, in the opinion of the Plan's actuary, able to pay for about half of each increase. The employer pays the remaining portion of the increase.

Cost-of-living increases applied to deferred pensions are the same as increases granted on pensions in payment.

**Death** – If you were to die before your pension has commenced, your eligible spouse or common-law partner would be entitled to an immediate lifetime pension that is at least equal in value to the transfer value of your pension. If you do not have an eligible spouse or common-law partner, or if you are living separate and apart from your spouse or common-law partner due to a breakdown in the relationship, or your spouse or common-law partner has waived entitlement to the pension, pension benefits would be paid to your estate or named beneficiary(s).

**Disability** - A member with a deferred pension who has ten or more years of qualifying service can apply for a disability pension if he or she becomes permanently disabled before being eligible to retire with an unreduced pension.

**Transfer to a Personal Retirement Savings Account** - You can transfer the value of your deferred pension out of the plan at any time before the pension has commenced, subject to lock in rules. Transfer amounts can fluctuate significantly over time due to various factors, including changes in interest rates or legislated calculation methods. Further information regarding transfer values and lump sum payments is available on our website.

**Transfer to Another Pension Plan** – If you are now participating in another employer pension plan, you can transfer your deferred pension benefits to your new pension plan at any time before the pension has commenced if that plan will accept the transfer.

## Reminders About Your Deferred Pension cont'd

**Age and Service Threshold for Significant Increase in Benefits** – The transfer value of a pension increases significantly when a member is at least age 55 and has at least ten years of qualifying service.

**Marital Status/Common-Law Relationship** – A member's pension benefit credit may be divided if:

- a. pursuant to an order of the Court of Queen's Bench made under The Family Property Act, family assets of the member or former member or his or her spouse, former spouse, or common-law partner are required to be divided;
- b. pursuant to a written agreement between the member or former member and his or her spouse, former spouse or common-law partner, their family assets are divided; or
- c. a division of the pension or the pension benefit credit, as the case may be, is required by an order of a court of competent jurisdiction in another province or territory of Canada, or an order of the Court of Queen's Bench regarding a common-law relationship.

The pension benefit earned during the relationship may be divided unless both parties agree they do not want the pension divided.

**Reinstatement** – Reinstatement is the option of combining pensionable service from a prior Fund account into a new Fund account. This allows the pension for the prior period to be redetermined including the salary in the new account.

You can reinstate your deferred pension if you again become an active member of the Fund within three years of having ceased to be an employee, and you apply for reinstatement within two years of again becoming an active member.

You cannot reinstate prior service if you have voluntarily removed any of your benefits for the prior Fund account, including any excess contributions. However, if your prior benefit was required to be removed from the Fund under the small benefit unlocking provision, you may be eligible to reinstate that pension if the original benefit amount plus interest is repaid to the pension plan and the necessary timelines are met.

In order to reinstate any prior account(s), you must contact the Board office for information and to determine if you are eligible.

## Season's Greetings

On behalf of the CSSB Board and staff, we wish you a very happy holiday season, and all the best in 2022!

## Questions or Comments

If you have any question or concerns, please contact:

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