

Civil Service Superannuation Fund

RETROACTIVE SALARY INCREASES

It's not unusual for salary increases to be applied retroactively, creating retroactive or 'retro' earnings. These earnings may result from a new collective agreement being settled, from job re-classification, or from appointment to a new role. For the most part, retroactive earnings are included in your pensionable earnings. The good news is that **no action** is required on your part as it relates to your pension or insurance.

Pension recalculation for pension recipients, deferred and other members

Your employer will report the retroactive amounts, once they have been paid, to the CSSB. Our staff will then verify and allocate the retroactive earnings to the correct year and recalculate the pension. It may be a few months before we're able to update every account.

Changes to the pension calculation because of pensionable retroactive earnings would be made for:

- members who are receiving a monthly pension after retirement,
- spouses or common-law partners of deceased members who receive survivor benefits as a monthly pension,
- members with a deferred pension, and
- members with terminations pending where the account has not yet been closed.

Current employees

After the current calendar year ends, your employer will report the retroactive amounts to the CSSB. Our staff then verify and allocate the retroactive earnings to the correct year: it may be late into the next calendar year before all employee pension accounts are updated. The earnings will be considered in your pension calculation if those years are among your 'best five' years for pensionable earnings.

Employees considering retirement in the near future

Employee pension accounts are updated once a year after year-end information is reported by your employer. It will be in the next calendar year before all employee pension accounts are updated to include retroactive earnings. This means your pension estimates will not include these retroactive earnings until the accounts are updated.

If you are running pension estimates through online services, you can manually adjust your future salary by using the "change salary or service" button at the bottom of the pension estimate. You may change your salary going forward, but you cannot adjust previous years.

RETROACTIVE SALARY INCREASES (cont'd)

After you retire, we will initially pay your pension on estimate based on the last service and earnings information that has been verified by the CSSB. After your employer provides information on your final service and earnings, our staff then verifies the information and allocates any retroactive earnings to the correct year. It will be a few months after retirement before we're able to finalize your pension calculation.

Pension contribution requirements

Your employer will likely deduct pension contributions when the retroactive wages are paid. That doesn't always mean these earnings are pensionable. If your employer deducts contributions from retroactive earnings that aren't pensionable, the contributions will be returned to you.

The CSSB may also find that your employer didn't deduct enough pension contributions due to the retroactive earnings. This doesn't happen often, but when it does we require the payment of the "arrears" so we can finalize your pension amount. We will follow up should this occur.

Closed accounts

Once an account is closed there are no recalculations. An account is closed after you end employment and remove your pension from the plan. Until your account is closed, you are still considered a deferred member and eligible for recalculation of pension because of the retroactive earnings.

View changes using Online Services

Online Services for members provides mobile-friendly personalized information about your pension and related tools. You can view updates to your pension account through your online services account when the finalized changes are available. If you haven't yet registered for online services, go to <https://cssb.mb.ca/member-services/sign-up-for-cssbs-online-services/> for more information.

Retroactive salary increases do not affect insurance

For employees, insurance coverage and premiums are changed on a go-forward basis only based when on the new salary rate is applied. For pensioners, no change is made to the coverage amount, and no retroactive premiums are collected. No adjustments are made to death benefits that have been paid out.

Questions? The Board's staff is available to provide information and answer questions about the plan and your entitlements. The Board's staff can be contacted by:

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The material provided in this Fact Sheet is intended to summarize information on a general basis only and does not replace getting specific information relevant to your personal situation or circumstances.

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