

Money Purchase Plan Update

Interest 2022

Money Purchase Plan interest for 2022 was 2.55%. There was no additional interest adjustment this year as adjustments depend on the performance of the Civil Service Superannuation Fund (Fund).

Interest rates (net of management fees)

2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
2.55%	7.58%	5.66%	10.44%	1.19%	7.59%	2.41%	4.60%	6.04%	11.59%

Q&A

Q How is guaranteed monthly interest calculated?

Each month, Money Purchase Plan accounts receive guaranteed interest. The rate follows the Bank of Canada five-year personal fixed-term rate, which is then prorated. If, for example, the rate in January was 2%, accounts are credited with 0.166% interest for that month.

Q Are there monthly administrative fees?

Yes, the Civil Service Superannuation Board (CSSB) deducts a monthly admin fee of 0.020834% (0.25% annually) from plan holders' accounts.

Q How can I withdraw my money?

You can withdraw all or part of your money anytime. Please contact the CSSB for the required forms.

Q How is the additional interest adjustment determined?

Plan holders receive guaranteed monthly interest. At the end of the year, if the total monthly interest credited to the Money Purchase Plan is less than the Fund annual rate of return, an additional interest adjustment is given (minus a 3% management fee).

Additional interest adjustments are not guaranteed because they are tied to the performance of the larger Fund. If the Fund performs well, additional interest is given. If the Fund underperforms, plan holders still receive guaranteed monthly interest but no additional interest. The adjustment applies only to funds in the Money Purchase Plan at the time the adjustment is determined.

Q When is the additional interest adjustment determined?

The additional interest adjustment for the previous year-end (January to December) is determined by the end of February.

Q When can I start a monthly annuity?

You can start a monthly annuity if you...

- are 55 or older and no longer an employee contributing to the Fund
- meet the Board's definition of totally and permanently disabled before age 55

You must apply for an annuity by December 1 in the year you turn 71 or the CSSB automatically starts paying an annuity and defaults may apply.

Q How do I start a monthly annuity?

You must apply in writing to start receiving a monthly annuity.

Q How much will I receive?

If you are within 90 days of wanting to start your monthly annuity and you have Online Services, you can run an estimate yourself. The CSSB can also run an estimate for you.

Your annuity is based on three main factors:

1. Account balance
2. Age
3. Interest rates

If your Money Purchase Plan provides an annuity below *The Pension Benefits Act* small benefit amount (\$222 per month in 2023), the non-locked-in funds must be refunded in a lump sum.

Q Is my monthly annuity adjusted for inflation?

No, once the Money Purchase Plan is converted to an annuity, the amount of the monthly payment will not change because there are no cost-of-living adjustments.

Online Services

The best way to get timely information about your Money Purchase Plan is through CSSB Online Services.

With Online Services, you can...

- ✓ View your Money Purchase Plan account balance
- ✓ Get annuity estimates (when within 90-days of retirement or at age 55)
- ✓ Keep your contact and beneficiary information up to date

Not registered yet? Contact our office to get your secure registration key, then sign up at www.cssb.mb.ca.

Contact

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