

Civil Service Superannuation Fund

TERMINATION: TRANSFERRING YOUR PENSION

The option to transfer the value of your pension out of the plan may be available to you if you cease to be an employee and you have not yet started to receive a pension. The pension plan's responsibility for any pension or related benefits would end if the pension value is transferred out of the plan.

All such transfers must comply with the Pension Benefits Act and the Income Tax Act.

Please note that a different process applies if you are commencing a monthly pension. Application for a monthly pension must be made before your retirement date.

Process

When you cease to be an employee, the process with regards to your pension is as follows:

- 1) Once all final monies owing to you have been paid out by your employer (final pay, vacation pay, etc.), your employer will notify us that you have ceased employment and will provide us with details of your final service and earnings.
- 2) We'll clarify any questions we may have about the information provided, and prepare a package for you detailing your pension benefits and the options available. The package will include the forms you'll need to make your elections.
- 3) The information and forms will be sent to your CSSB Online Services Document Centre within 60 days of the date we receive the notification from your employer, provided you are registered for CSSB Online Services and your username is a valid non-work email address. Otherwise, they'll be mailed to your home address.
- 4) You have 120 days from the date of our letter to return the completed forms to us. If forms aren't returned within that time, we'll process your pension as follows:
 - a. If your pension is below the small pension threshold, a cheque will be mailed to you for the transfer value less withholding tax,
 - b. If your pension is above the small pension threshold, it will remain in the plan as a deferred pension. The amounts available for any subsequent transfer would be recalculated when the subsequent request is made. Recalculated pension values can increase or decrease significantly, even over a short period of time.

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.

TERMINATION: TRANSFERRING YOUR PENSION (cont'd)

- 5) Your benefit will be processed within 90 days of receiving completed forms and all required supporting documents.

Members should allow for up to 6 months without this income. Actual timing will depend on how quickly each party completes their applicable paperwork and whether there is any missing information or any questions that need to be resolved about the information provided.

Estimates

Amounts that may be payable from the pension plan and the specific options available to you cannot be determined until you have actually ceased to be an employee. However, you can obtain estimates through your Online Services account or by contacting the Board office.

Because transfer amounts can fluctuate significantly over short periods of time, estimates will only be provided for the current date.

Options

When you cease to be an employee, you will have the following options:

1. Apply to commence an immediate monthly pension if you are eligible (ie, age 55, or a Corrections Officer who is age 50 with Rule of 75). Application for a monthly pension should be made before your retirement date.
2. Leave your pension in the Civil Service Superannuation Fund as a deferred pension (unless it is below the small pension threshold).
3. Transfer your pension to a new employer's registered pension plan if they will accept the transfer.
4. Transfer locked-in funds to a Locked In Retirement Account (LIRA), Life Income Fund (LIF) or the Civil Service Superannuation Fund Money Purchase Plan,

AND/OR

Receive non-locked-in funds as a taxable cash payment or transfer them to a Registered Retirement Savings Plan (RRSP). In some cases, non-locked in funds may be able to be transferred to the CSSF Money Purchase Plan.

If the value of your pension is below the small pension threshold of the Pension Benefits Act, the option of a deferred pension is not available. Small pensions must be removed from the pension plan, either as a taxable cash payment or a transfer to a RRSP.

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.

TERMINATION: TRANSFERRING YOUR PENSION (cont'd)

Taxation

The Income Tax Act limits the amount that can be transferred on a tax sheltered basis. If the value of your pension exceeds the maximum allowable transfer value, any “registered pension excess” will be paid as a taxable cash payment. If you have unused RRSP room and plan to put the registered pension excess into your RRSP, you can apply to CRA for tax exemption on this amount. If that exemption has been granted to you by the time your benefit is paid, we can reduce or eliminate the tax withholding.

A T4A will be issued when tax has been withheld from a cash payment. A T4A will not be issued for amounts transferred to an RRSP, LIRA, LIF, the CSSF Money Purchase Plan, or another pension plan, as these transfers are not subject to tax withholding.

Transferring your pension at retirement age

The option of transferring the value of your pension is available if you cease to be an employee prior to the end of the year in which you attain age 71 and you have not commenced receiving a monthly pension.

If you are eligible for an immediate pension when you leave employment, you should be aware of the following if you’re thinking of transferring your pension out of the plan rather than receiving monthly payments:

- You would not be eligible for coverage under the retiree life insurance plan. Great-West Life offers a 60 day conversion period where you can convert your life insurance to an individual policy without providing medical evidence.
- You may not be eligible for health care benefits through Manitoba Blue Cross or Johnston Inc (MARGE). You may want to contact these companies to confirm.

If you intend to transfer your pension out of the plan rather than receiving a monthly pension, please let our office know prior to your date of retirement so that we can ensure we send you the correct forms.

If you change your mind and decide to receive a monthly pension, and you have not yet submitted your election forms for the transfer of your pension value, please contact our office as soon as possible. Retirement forms should be completed and returned to our office prior to your retirement date, or your options may be limited.

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:

Mail: Civil Service Superannuation Board
1200-444 St. Mary Ave.
Winnipeg MB R3C 3T1

Phone: 204-946-3200 or Toll Free (Canada): 1-800-432-5134 Fax:204-945-0237

E-mail: askus@cssb.mb.ca Web Page: www.cssb.mb.ca

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.