

CSSB *Connection*

The Civil Service Superannuation Fund

Employee Newsletter • Volume 14 - 2014

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Annual Employee Pension Statements Available Online

Annual Employee Pension Statements are available through our Online Services. Employees who are registered for our Online Services will be notified each year when these statements are available for viewing. Paper copies will no longer be automatically distributed.

This initiative results in significant cost savings to the pension plan, and hopefully promotes the CSSB Online Services, which can provide members with better and timelier information.

If you haven't already used our Online Services, please visit www.cssb.mb.ca to register.

Online Services includes access to your historical Annual Employee Pension Statements (back to 2009), the ability to run estimates of your retirement pension or current termination benefits, and much more. You can even complete your retirement application online!

Forms Required To Start A Pension

In addition to notifying their employer, retiring employees must make application to the CSSB office if they wish to commence their pension. If retirement forms are not completed and returned to our office before an employee's retirement date, an immediate pension may no longer be available, and certain defaults could apply.

We will only accept forms that were provided with a pension estimate within six months prior to an employee's retirement date. The sooner forms are submitted to our office, the more likely there will be no delay in paying the pension and the more opportunity there will be to address any problems with the forms.

Employees may now complete their retirement forms online. This feature gives employees the option of printing their completed forms for signature and submission to the CSSB office, or having us print the completed forms and mailing them to the member for signature and submission. Automatic edits in the online process help reduce potential problems and errors.

Employees are welcome to contact the CSSB office for assistance completing their forms, or with any questions they may have.

Board Member Changes

In the fall of 2012, the Board welcomed, through re-election, Mr. Ray Erb and Ms Monica Girouard as well as its newest member, Mr. Doug Troke, as employee representatives on the Board. Their three-year terms were effective January 1, 2013. In addition, Mr. Paul Desorcy was elected as the Manitoba Hydro Group employee representative for a similar three-year term.

We would like to extend our sincere thanks to outgoing representatives Ms Denise Hickson (Manitoba Hydro Group) and the late Mr. Stephen Watson for their efforts and contributions as Board and Committee members.

The Board would also like to thank Ms Girouard, who has resigned her position, and welcome Mr. Jody Gillis. During the election of employee representatives held in the fall of 2012, Mr. Gillis received the next highest number of votes for the government employee group.

Contribution Rates to Increase

For pay periods ending after 2014, employees will contribute to the pension plan at 8% on salary up to their Canada Pensionable Earnings, and at 9% on salary over the Canada Pensionable Earnings. Canada Pensionable Earnings is the salary an employee receives in a year that does not exceed the Yearly Maximum Pensionable Earnings under the Canada Pension Plan. The Yearly Maximum Pensionable Earnings for 2014 is \$52,500.

This is the last of four increases over the past two and a half years which gradually introduced the new contribution rates.

Transfer Values and Lump Sum Payments

Transfer values tend to increase over time. They don't however tend to increase consistently or in a straight line, but fluctuate up and down, mostly due to changes in the applicable bond interest rates.

Upon comparison of your 2013 Employee Pension Statement with your 2012 statement, you may see that your transfer value has decreased. This change is likely the result of an increase in bond interest rates from December 2012 to December 2013. The lower the applicable bond interest rates, the higher the transfer value will be, because the amount set aside is projected to earn less interest in future. Alternatively, the higher the applicable bond interest rates, the lower the transfer value will be, because the amount set aside today is projected to earn more interest. A transfer value determined at a particular date may be substantially different if determined at a future date.

Further information regarding transfer values and lump sum payments is available on our website.

Cost-of-Living Adjustments May Be Reduced

The Board is concerned with the future viability of Cost-of-Living Adjustments (COLA). COLA is limited to the extent that the COLA Account is, in the opinion of our actuary, able to pay for approximately one half of the increases. The employer pays for the remainder of the increases.

The Board is concerned that the COLA Account will not be able to continue to provide increases of 2/3 of the increase in the Canadian Consumer Price Index. Concerned members should contact the Pension and Insurance Liaison Committee.

Vacation Cash-Out

A lump sum payment for unused vacation, to a limited extent, is subject to pension contributions and can be included in pensionable salary when you cease to be an employee in the pension plan. This payment increases the pensionable salary in your final year of service, which usually increases your pension benefits, often by 4 or 5%.

The lump sum vacation pay that can be included as pensionable salary is limited to the amount of vacation days earned in the last two years, and an overall maximum of 50 days.

The pension plan does not provide whether you can carry-forward or cash-out vacation, only how much could be eligible for including in pensionable salary. You may want to contact your employer (or refer to a collective or employment agreement) to determine if they permit vacation cash-out or allow you to bank or carry-forward vacation from one year to the next, and to get an estimate of vacation days earned in your last two years. You may want to do this before doing an online pension estimate or requesting a pension estimate from CSSB staff.

The two year limit simply considers your actual accrual in the last two years, and not when you earned vacation that you cash out. For example, a half-time employee earned 12.5 days of vacation a year in each of the two years prior to retirement. The employer had allowed this employee to bank 10 days in each of the last four years. At retirement, the employer paid the employee a lump sum for 40 days of vacation. The employer deducted pension contributions from the cash-out for 25 days, and that portion of the cash-out was included in the employee's pensionable salary for the year. The cash-out for the other 15 days was not eligible for pension contributions and was not included in the employee's pensionable salary.

Possible Increase in Pension for Retirements After Age 65

The pension payable when an active employee retires after age 65 must not be less than the actuarial equivalent of the pension that would have been payable if the employee had retired at age 65. This comparison would take into account any accrued vacation days at age 65.

Pension estimates do not currently include the possible increase resulting from this requirement. Please contact the CSSB office if you wish to request an estimate including this possible increase in pension.

If you're over age 65, you can get a rough estimate of the actuarial value of the pension that would have been payable if you had retired at age 65 as follows:

1. Obtain your age 65 pension estimate from your Annual Employee Pension Statement in the year prior to reaching age 65. (You can access your Annual Employee Pension Statements back to 2009 through our Online Services.)
2. Multiply your age 65 pension by the factor from the following table:

Age at Retirement	Actuarial Increase Factor
66	1.08
67	1.18
68	1.28
69	1.39
70	1.52
71	1.66

Once you've estimated the actuarial value of your age 65 pension, you can then run a pension estimate at your anticipated age at retirement and compare the two lifetime amounts. This will give you a reasonable idea of whether this provision will result in an increase in your monthly pension, and by approximately how much.

Tax Exempt Pension Under The Indian Act

An employee who receives salary that is tax exempt under The Indian Act can also be paid the pension which is attributable to that salary as tax exempt. You may want to contact your employer if you believe they should be reporting tax exempt salary to the CSSB.

Integration With Old Age Security (OAS) and OAS Changes

Integration with OAS is a pension option available at retirement that lets a member get a higher pension from the pension plan until age 65, but less pension from the pension plan after age 65. This adjustment previously coincided with the age that OAS benefits could commence.

The Federal Government has changed OAS to gradually increase the eligibility age from 65 to 67, which may negatively impact retirement income for retiring members who elect OAS integration and were born after March 1958.

Reserve Your Spot In A Pre-Retirement Seminar or Request A One-on-One Session

The CSSB conducts half-day Pre-Retirement Seminars (approximately four hours) designed for employees who are beginning to plan for retirement. They are presented in major centres throughout Manitoba for groups of 15 to 50 people. The focus of these seminars is on pension and insurance benefits offered through the CSSB. In addition, members can meet with CSSB staff in Winnipeg and rural areas to discuss pension and insurance benefits.

Our upcoming Pre-Retirement Seminars and out-of-town One-on-One sessions are listed in the **CSSB Services** section of our website. One-on-one sessions can be booked by calling our office directly. Employees are encouraged to register for Pre-Retirement Seminars through our Online Services.

Spouse or Common-Law Partner Information

Future Annual Employee Pension Statements will reflect the name of an employee's spouse or common-law partner where that information has been provided through our Online Services.

Regardless of whether this information is available, we would use documents provided when an entitlement becomes payable to determine benefit eligibility. Any spouse or common-law partner information collected before that would be used to comply with annual statement disclosure requirements, and to permit employees who run pension estimates through our Online Services to see potential joint life pension options.

Life Insurance Pre-Payment If Terminal Illness

An insured member who has been diagnosed as terminally ill may apply for prepayment of a portion of the life insurance benefit. Approval is based on criteria set out by the insurance carrier. If you are interested in further information please contact your employer or the CSSB office.

If you have any question or concerns, please contact

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