

# *Connection*

*The Civil Service Superannuation Fund*

*Member Newsletter • Volume 13 - 2012*

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## **Greetings**

Welcome to our member newsletter, *Connection*. In this edition we provide information on future pension plan contribution rate changes, the upcoming Civil Service Superannuation Board (Board) election, Canadian Forces reservist service purchases, along with some reminders of recent plan changes.

## **Contribution Rates To The Pension Plan Scheduled To Increase**

The actuarial valuations that estimate whether contributions made to the pension plan are sufficient to pay for future benefits have indicated a growing trend over the past 15 years or so that the contributions paid by employees may not be sufficient to pay for roughly half of future pensions. Based on the assumptions approved by the Board, the actuary has recommended that contributions be increased over a four year period until the contribution rates are 2% higher than today.

The Lieutenant Governor in Council has made a regulation to increase contribution rates to the plan as outlined in the following table. Please note that the increased contributions are not intended to provide increased pension benefits, but are considered necessary to fund existing benefits in the future.

<b>For pay periods ending:</b>	<b>Contribution rate on salary up to Canada pensionable earnings</b>	<b>Contribution rate on salary over Canada pensionable earnings</b>
before July 1, 2012	6.0%	7.0%
on or after July 1, 2012 but before 2013	6.5%	7.5%
in 2013	7.0%	8.0%
in 2014	7.5%	8.5%
after 2014	8.0%	9.0%

An employee contributes to the pension plan at one rate on salary up to his or her Canada pensionable earnings, and at a different rate on salary over of his or her 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 2012 is \$50,100.

## **Election of Employee Representatives**

The Board holds an election every three years to allow eligible plan members to elect the employee representatives on the Board. Three members are elected for the Government Employee Group (which includes agencies of the government) while one member is elected to represent the Manitoba Hydro Employee Group.

In September of 2012, all eligible plan members will receive a ballot package. Completed ballots must be returned to the Board by the end of October to be included in the ballot count.

## ***Purchase of Reservist Service***

An employee who is a member of the Canadian Forces Reserves and is required to be absent from work for active duty or training in the Reserves can generally purchase service for the unpaid leave by applying to the Board within six months after the end of the leave. If a past period of unpaid leave has not yet been purchased, an employee can apply to the Board before January 1, 2014, to purchase that service.

An employee who purchased service for unpaid leave for active duty or training in the Reserves before December 19, 2011, can apply to the Board before January 1, 2014 for a refund of the difference between the amount that was paid and the amount that would have been his or her total contribution for the period based on his or her annual salary rate immediately before the leave.

## ***Board Members Appointed***

The Civil Service Superannuation Board welcomes its newest government appointed members. Mr. Ed Balcewich, Mr. Wayne McGimpsey, and Ms C. Lynn Romeo were all appointed in 2011 for a three year term.

## ***Reminder of Plan Changes Over Past Two Years***

- ▶ A member is eligible to retire as early as age 55 regardless of service. The exception would be if he or she has a “small pension” under The Pension Benefits Act. This amount will change each year, but would most likely apply to members with less than two or three years of service.
- ▶ Transfer values following a termination or division of pension no longer increase significantly when the member has ten or more years of service. He or she must now also be at least age 55.
- ▶ When a member dies prior to retirement, death benefits would be paid to his or her spouse or recognized common-law partner unless that spouse or partner has waived those rights. If there is no spouse or partner, or the spouse or partner has waived his or her entitlement, death benefits would be paid to the member's estate unless the member has made a beneficiary designation in compliance with The Beneficiary Designation Act. An eligible spouse or partner may waive entitlement to any pre-retirement death benefits.
- ▶ Deadline for an employee to apply for a pension has been extended to 30 days after he or she ceases to be an employee. This extension does not apply to a former employee.
- ▶ A spouse or partner must sign a waiver form within 60 days prior to the pension commencement date if a retiring member with an eligible spouse or partner wants to integrate his or her pension or wants to select a pension option that provides less than 2/3rds to the surviving spouse or partner.

If you do not submit option forms for a monthly pension prior to its effective date, you may have limited or no options available.

If you have any question or concerns, please contact

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