



# *A Few Moments Of Your Time*

*The Civil Service Superannuation Fund*

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## ***July 2020 Cost Of Living Adjustments***

The Board approved a 1.50% Cost-of-Living Adjustment (COLA) for eligible pension recipients and members with a deferred account, effective July 2020.

This increase is equal to 2/3 of the increase in the Canadian Consumer Price Index for 2019, which was 2.25%.

The actuary has continued to express concern that, unless changes are made, the Account will not be able to meet the target of granting additional COLA's each year at the rate of 2/3 of the increase in the Consumer Price Index. The Board shares this concern.

The Superannuation and Insurance Liaison Committee, which represents plan members in negotiating plan benefits, is studying the sustainability of the COLA Account.

## ***CSSB Board Election Results***

The election of employee representatives to the CSSB took place in the autumn of 2019.

We are pleased to announce that Mr. Ray Erb, Mr. Jody Gillis, and Mr. Doug Troke have been re-elected to three-year terms effective January 1, 2020.

In addition, we welcome Mr. C. Reed Winstone, who has been elected as the Manitoba Hydro Group employee representative.

## ***Declaration for Continued Receipt of Pension Benefits***

From time to time the Board will send declaration forms to a sampling of our pensioners to confirm pensions are being paid properly. If a declaration form is not returned or Canada Post returns mail sent to a pensioner as undeliverable, we may suspend the pension until we are confident that the member has not passed away and the pension is still payable. Please ensure that you notify the board of any change in mailing address, either in writing or by updating your profile through your Online Services account.

## You Asked...Why Does My Pension Amount Sometimes Change?

You may recall that your monthly pension is based on a formula that uses your best 5 years of earnings and your years of pensionable service. And certainly one of the most comforting features of your pension is its reliability. It's not affected by fluctuations in the market or by changes in the plan's investments. So why does the amount you receive sometimes change?

Although the base amount of your pension pretty much stays the same once the final calculation has been done, there are some adjustments that can change the amount you receive.

### A) Scheduled Adjustments (if applicable)

- **Bridging Benefit** – Any portion of your pension identified as a bridging benefit will cease when you reach age 65.
- **Integration** - If you elected integration with Canada Pension Plan or Old Age Security benefits when you retired, your pension from CSSB will reduce at age 60 (for CPP Integration) and/or age 65 (for OAS Integration). These reductions continue for your lifetime. The OAS integration adjustments and the corresponding reduction may be adjusted in future based on indexation of the OAS program.

### B) Other Possible Adjustments

- **Cost-of-Living Adjustments (COLA)** - Cost-of-living adjustments are paid in the thirteenth month following the effective date of the pension (retirement) and each July thereafter. These adjustments are not guaranteed. The increase granted each year is limited to the extent that the COLA Account is, in the opinion of the plan's actuary, able to pay for about half of the increase. The employer pays for the remainder of the increase.
- **Income Tax Changes** - Pension payments are taxable income. Income tax is deducted from your monthly pension based on the TD1 forms you provided with your retirement forms and the tax tables currently in effect. Changes to the amount of your monthly pension (such as a decrease because a bridge benefit ceases) or to the tax tables (as generally occurs each January) would change the amount of tax deducted.

The CSSB office had a number of calls at the beginning of the year from pensioners who wondered why their pension had increased. In that specific situation, the tax rate table applicable to 2020 was a bit lower than in 2019, resulting in less tax being deducted in many cases.

You can request increases to your regular tax deduction by contacting the Board office. Decreases in the tax deduction must be supported by revised TD1 forms.

## Questions Or Comments?

If you have any question or concerns, please contact:

The Civil Service Superannuation Board  
1200-444 St. Mary Avenue  
Winnipeg Manitoba R3C 3T1

Telephone:	1-204-946-3200
Canada Toll-Free:	1-800-432-5134
E-mail:	askus@cssb.mb.ca
Website:	www.cssb.mb.ca