



A Few Moments To Connect

The Civil Service Superannuation Fund

Deferred Member Newsletter • Volume 5 - 2016

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Online Retirement Form Feature

Eligible members may now complete their retirement forms online when signed into their CSSB Online Services account. This feature gives members 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 can speed up processing and help reduce potential problems and errors.

Members are welcome to contact the CSSB office for assistance completing their forms or accessing their Online Services account, or with any questions they may have.

Changes to CPP Benefits

Federal legislation to expand the Canada Pension Plan (CPP) received First Reading on October 6, 2016.

Although we won't know for certain until the changes are passed, it appears unlikely that the CPP changes would have an impact on the Civil Service Superannuation Fund (Superannuation plan) pension formula, contribution rate or enrollment eligibility.

It appears likely that the CPP changes would impact Superannuation plan integration amounts for retirements after 2019. Because integration amounts are based on typical early retirement benefits from CPP, if those benefits increase, both the additional amount of pension from the Superannuation plan until age 60 and the lifetime reduction at age 60 would be expected to increase. This may make the integration option more appealing to some members and less appealing to others.

The provisions of the Superannuation plan are generally negotiated by the Liaison Committee and Advisory Committee. The Board recommends that members contact the Liaison Committee if wanting to suggest changes to the pension (or insurance) benefits. The Liaison Committee website is accessible through the Board's website Links.

Prenuptial Agreements

The Court of Appeal of Manitoba has indicated (*Dundas v Schafer*) that a valid prenuptial agreement can make the division of pension provisions under The Family Property Act and The Pension Benefits Act inapplicable.

If a spouse or common-law partner waives entitlement to an equal sharing of a member's pension benefits in an enforceable prenuptial agreement that was entered into before the commencement of the relationship, it is our understanding that the spouse or partner would have no entitlement to the member's pension benefits.

The court did not address whether an enforceable prenuptial agreement could also impact pre-retirement survivor entitlements for a surviving spouse or partner, or the minimum survivor pension rights at retirement.

We will keep any agreements submitted to the Board on file. As each such agreement must be considered based on the specifics of the member's situation at the applicable time, we will only consider whether an agreement is valid if and when it becomes relevant for determining actual benefit entitlements. Members may want to seek financial and legal advice regarding prenuptial agreements.

Power of Attorney

A Power of Attorney (POA) is a legal document in which a person (the donor) grants another person or persons (the attorney or attorneys) the authority to act on his or her behalf with regard to financial affairs.

Unless the POA contains restrictions, the Board can interact with a named attorney in much the same way as we would interact with the donor. A named attorney can receive information and act on behalf of the donor in dealing with pension and insurance issues, but cannot designate or change a beneficiary for pension or insurance purposes.

For a POA to be **enduring**, it must contain a clause that specifically indicates that it continues if the donor becomes mentally incompetent. It must also meet certain other criteria, such as who can witness the donor's signature.

The Board will follow the Public Guardian and Trustee of Manitoba publication, *Enduring Power of Attorney, A Guidebook for Donors and Attorneys*, in determining the validity of an enduring POA executed in Manitoba. For a POA executed outside of Manitoba, the legislation of that jurisdiction will be reviewed to determine its validity.

We will require a copy of the POA before we share information or accept direction from a named attorney.

Members who have prepared a POA may provide the Board with a copy at any time.

Old Age Security Integration Update

Proposed changes to eliminate the Old Age Security Integration option from the pension plan did not pass before the Legislative Assembly recessed in 2015. Members can contact the Liaison Committee if wanting to determine whether that committee has any updates on the status of these potential changes. The Liaison Committee website is accessible through the Board's website Links.

Members considering integration with Old Age Security may be interested to know that the age of eligibility to receive a benefit has now been reverted back to age 65. Prior to this change, the age of eligibility was scheduled to gradually increase to age 67.

Pre-Retirement Seminars and One-on-One Sessions

The CSSB conducts half-day Pre-Retirement Seminars (approximately four hours) designed for members 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.

Members can also meet with CSSB staff in Winnipeg and rural areas to discuss pension and insurance benefits.

In addition, the CSSB plans to offer occasional online pre-retirement seminars. An online seminar is a live presentation made available to participants over the internet, using video conferencing software. Members who register for an online seminar will be able to view the PowerPoint presentation from their own computer or device, hear the presenter's explanations, and ask questions through an online Q&A feature.

Our upcoming Pre-Retirement Seminars (including online seminars) and out-of-town One-on-One sessions are posted on our website. Members are encouraged to register for Pre-Retirement Seminars through our Online Services. One-on-one sessions can be booked by calling our office directly.

Keep Your Online Profile Up-To-Date

To ensure that you continue to receive relevant information from the CSSB, please remember to keep your Online Services contact information current. This includes keeping your Primary email address and home mailing address up-to-date using the Online Services Edit My Profile feature.

If your Primary email address for Online Services is still your work email, please take a moment to change it to your home email address.

Reminders For Members With A Deferred Pension

Cost-of-living Increases - A cost-of-living adjustment (COLA) is credited in the second calendar year following the establishment of a deferred pension (termination date) and each July thereafter until retirement. Cost-of-living increases applied to deferred pensions are the same as increases granted on pensions in payment. The increases granted for July 1 of the past few years were: 0.83% in 2014, 0.98% in 2015, and 1.07% in 2016.

Retirement - A member with a deferred pension can apply to start receiving the pension as early as age 55, or may continue to defer the pension until the end November in the year of attaining age 71.

Deferred pensions do not commence automatically when a member becomes eligible. To receive the pension, a member must submit a completed Notice of Retirement (prescribed form available from the Board) to the Board office up to six months prior to the pension commencement date. Deferred pensions are paid from the date of retirement, but no sooner than the date the Board receives a completed Notice of Retirement and are not paid retroactively.

In order to select an optional form of pension, a member must submit valid pension option forms, and waiver forms where applicable, before the date of retirement. Otherwise, default options will apply.

If the member has less than ten years of qualifying service, the pension will be the estimated equivalent of the pension that would be payable at age 65. The reduction is about 6% for each year of retirement prior to age 65. That would be a reduction of roughly 30% for retirement at age 60, or 60% for retirement at age 55.

Reminders For Members With A Deferred Pension Cont'd

Death - If a member with a deferred pension dies before the pension has commenced, his or her eligible spouse or common-law partner would be entitled to an immediate lifetime pension that is at least equal in value to the member's transfer value. If at the time of death the member had no spouse or common-law partner, or the member was living separate and apart from a spouse or common-law partner by reason of a breakdown in the relationship, or a spouse or common-law partner had waived entitlement to the pension, pension benefits would be paid to the member's estate.

Disability - A member with a deferred pension who has ten or more years of qualifying service can apply for a disability pension if he or she becomes permanently disabled before being eligible to retire with an unreduced pension.

Transfer - A member can transfer his or her deferred pension benefits out of the plan at any time before the pension has commenced. Transfer amounts tend to increase with time, but may decrease from time-to-time due to changes such as interest rates or legislated calculation methods. Further information regarding transfer values and lump sum payments is available on our website.

Transfer to Another Pension Plan - A member can transfer his or her deferred pension benefits to another employer pension plan at any time before the pension has commenced if that plan will accept the transfer. There are no deadlines for transferring pension benefits under this option.

Age and Service Threshold For Significant Increase In Benefits - The transfer value of a pension increases significantly when a member is at least age 55 and has at least ten years of qualifying service.

Marital Status/Common-Law Relationship - A member's pension benefit credit may be divided if:

- a. pursuant to an order of the Court of Queen's Bench made under The Family Property Act, family assets of the member or former member or his or her spouse, former spouse, or common-law partner are required to be divided;
- b. pursuant to a written agreement between the member or former member and his or her spouse, former spouse or common-law partner, their family assets are divided; or
- c. a division of the pension or the pension benefit credit, as the case may be, is required by an order of a court of competent jurisdiction in another province or territory of Canada, or an order of the Court of Queen's Bench regarding a common-law relationship.

The pension benefit earned during the relationship may be divided unless both parties agree they do not want the pension divided.

Questions or Comments?

If you have any question or concerns, please contact

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