



A Few Moments of Your Time

The Civil Service Superannuation Board

Pensioner Newsletter • Volume 17 - 2009

Greetings

Welcome to our annual pensioner newsletter, **A Few Moments of Your Time**. In this edition, we bring you up-to-date with news that we feel is important to our pensioners.

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New Board Chair and Appointments

The Civil Service Superannuation Board (CSSB) welcomes its newest Board members, Mr. Al Morin and Mr. Merv Worden. Their terms became effective February 1, 2008.

Mr. Morin was appointed Chair and replaces Mr. Gary N. Coopland who chaired the Board for 14 years. Mr. Morin is the President and CEO of the Assiniboine Credit Union.

Mr. Worden replaces Mr. Tom Bleasdale as an appointed employer representative. Mr. Worden is the President of Worden Actuarial and Benefits Consulting Ltd.

Joining the CSSB's Investment Committee are Ms. Diane Gray who, as the Deputy Minister of Finance, is required by legislation to sit on the Committee, and

government appointee Mr. Richard Brownscombe.

Ms. Gray replaces Mr. Ewald Boschmann who retired as the Deputy Minister of Finance in June of 2007. In addition to taking over as Deputy Minister of Finance, she is also the Deputy Minister responsible for Federal-Provincial Relations and Trade.

Mr. Brownscombe is President of Montrose Mortgage Corporation Ltd. His background includes both direct lending and portfolio management with a major Canadian Chartered Bank, asset management, real estate development and property management in Canada and the United States.

Acknowledgements

The CSSB would like to thank Mr. Coopland and Mr. Bleasdale for their years on the Board and various Committees, and to Mr. Boschmann for his years on the Investment Committee. Plan members, the Board, and Board staff benefited from their dedication and knowledge. Their commitment and hard work in serving the members of the Plan was greatly appreciated.

In Memoriam

We were recently saddened by the loss of Board member Mr. Wayne Andon, who passed away in November. Wayne also served on the Pension and Insurance Liaison Committee for many years.

His dedication to members of the pension and insurance plans will be missed.

DON'T FORGET, YOU CAN VISIT US ONLINE 24 HOURS A DAY

www.cssb.mb.ca

Market Developments

The news is filled with talk about plummeting investment markets and dismal economic forecasts.

Naturally, this is of concern to all of us, as we wait to see how the situation will play itself out. As part of this concern, some plan members are asking whether the current economic conditions will affect their pension.

You may take some comfort in the following facts:

Your pension is determined based on a formula that uses your salary and service amounts.

This calculation does not look directly at the amount invested or how those investments have performed.

Your pension is, for the most part, protected.

Your pension benefits are provided under legislation in the form of The Civil Service Superannuation Act. In addition, the pension you have earned for your service to date is protected under The Pension Benefits Act.

The pension plan is a long-term undertaking.

Your relationship with the pension plan could last for several decades. When looked at in this perspective, a year or two of poor experience should not be significantly problematic.

Fluctuation in the market is expected and is planned for.

Investment markets have ups and downs, and as long as these are factored in when setting funding requirements, the impact on a pension plan should be minimal. Since 1939 when this plan was established, market downturns have never resulted in benefit cuts.

The Board takes significant steps to manage risk.

Diversification - The pension plan is invested in diverse types of investments within a variety of geographical markets, using varied and complementary investment styles. This diversification reduces the pension plan's exposure to risk in any one market segment.

Monitoring - The pension plan is reviewed by the actuary at least once every three years, and the

Board does interim reviews on an annual basis. In addition, the Board reviews its investment policy each year.

This regular monitoring should expose any trends that might cause problems, thereby allowing the Board to take gradual corrective action before any problem becomes too large.

Planning - The Board holds reserves in anticipation of occasional poor market performance. For example, the 2007 Valuation of the Fund includes a reserve of over \$375 million for asset smoothing.

This represents just over 10% of the Basic Benefit Fund assets at the end of 2007. An asset smoothing reserve acts like a shock absorber when markets perform worse than expected.

In summary, the Board recognizes the seriousness of the current economic challenges, but we feel that this situation is temporary and that the pension fund can withstand it. Fluctuations in the market are normal, are expected, and are planned for, and we expect the markets to recover.

Your 2008 T4A

As with previous years, any Manitoba Blue Cross premiums or All Charities Campaign donations that were deducted from your CSSB pension payment are printed on your T4A. If you have any questions regarding your

2008 CSSB T4A, please contact the following CSSB staff:

Wanda	204-946-3216
Marilyn	204-946-3242
Larry	204-946-3236

Account Information

Questions regarding your CSSB pension can be directed to our staff in Pension Services:

Don	204-946-3215
Karen S.	204-946-3276
Karen V.	204-946-3217

Giving Made Easy

Looking for a simple way to make a difference in your community?

The CSSB is pleased to work with the All Charities Campaign (ACC) to help you do just that.

Did you know?

- ▶ You can donate to any registered charity of your choice in Canada through the ACC.
- ▶ You can make regular monthly donations directly from your pension payment.
- ▶ You can sign up any time, not just at retirement.

- ▶ You can direct your donation to as many charities as you like.
- ▶ Your total donation will be reported on your CSSB T4A slip. That's right...one receipt for all your donations!
- ▶ You can select to have ACC release information to the charity about your donation, or you can remain anonymous.

The ACC recognizes that pensioners are a crucial part of their success. In 2008, pensioners pledged in excess of \$137,000 to the charities of their choice through the ACC. The overall campaign

raised nearly \$1.9 million for hundreds of charities.

You can print an ACC pledge form from the Forms section of the CSSB website.

For further information contact Debra Laturnus at the ACC office at 204-945-5621 or e-mail debra.laturnus@gov.mb.ca.



Pre-payment of Life Insurance

Pensioners who are diagnosed as terminally ill may qualify to receive an advance payment of up to 50% of their life insurance death benefit, up to a maximum of \$25,000.

Application can be made through the Board office. Call Cheryl at 204-946-3212 if you have questions on how to apply for this benefit.

Unregistered Pension

The Income Tax Act limits the amount of pension that can be paid from a registered pension plan. If you receive any pension that exceeds this limit, it will be paid as unregistered pension.

For someone retiring in 2008, the registered pension is limited to about \$194 of monthly lifetime pension per year of pensionable service. For example, if you retire in 2008 with ten years of service and your monthly pension is \$2,300, about \$1,940 (\$194 x 10) would be registered pension income. The

remaining \$360 would be paid to you as unregistered pension income. These amounts would be slightly different if you elect to have your pension paid as something other than a lifetime pension.

The maximum pension level is determined by the Canada Revenue Agency. For someone retiring in 2009, the limit is approximately \$204 per month for each year of service. The limit is scheduled to increase each year in accordance with increases in the Canadian average wage index.

Pension accrued while in receipt of Long Term Disability benefits is also payable as an unregistered amount.

It is not clear at this time whether unregistered pension is subject to different tax treatment when it comes to income splitting and the pension income claim. We recommend that you contact the Canada Revenue Agency if you have any questions or concerns.

Pension Income Splitting

Pension income splitting is a method of reporting pension income when you prepare your annual income tax return. No adjustment is made to the amount actually paid out and the Board has no involvement in this process, except in providing T4A's that specify whether payments are registered or unregistered.

We understand however that Canadian residents who are receiving eligible pension income, such as registered pensions, can split the reporting of that income with their spouse or common-law partner. This may reduce a couple's income tax and could result in increased Old Age Security entitlements.

CSSB Online Services

The CSSB has offered its Online Services to members since 2002. In 2004, the services were expanded to allow retired members access to their information. As a CSSB pension recipient, you are able to access:

- ▶ Year-to-date pension and deduction amounts
- ▶ Manitoba Blue Cross information, if applicable (rates, forms and information)
- ▶ Personalized Group Insurance information
- ▶ Pension payment history
- ▶ Monthly pension statements
- ▶ T4A's

How Do I Sign Up?

If you registered as an employee for CSSB Online Services, there is no need to register again. Your username and password that you used as an employee are still valid. You only need to sign into our Online Services and select "Register for Online Documents" from the menu on the left.

If you have never registered to use the CSSB's Online Services, registration forms are available at www.cssb.mb.ca in the Online Services area.

Your PIN

As a pensioner, you have a unique Personal Identification Number (PIN) that will eventually replace your Social Insurance Number (SIN) on correspondence from our office.

For security and privacy reasons you are encouraged to provide your PIN when contacting our office. As many people may more readily remember their SIN, we'll continue to give you the option.

Direct Deposit Dates For 2009

Pension recipients using direct deposit will have their CSSB pension payments deposited on the following dates in 2009: **(Please note the timing of the December payment).**

Thursday	January 29
Thursday	February 26
Monday	March 30
Wednesday	April 29
Thursday	May 28
Monday	June 29
Thursday	July 30
Friday	August 28
Tuesday	September 29
Thursday	October 29
Friday	November 27
Wednesday	December 30

If you have not requested payment by direct deposit, your payment will be mailed one work day prior to the above dates.

If you would like to sign up for direct deposit, please contact us.

Questions? Comments?

The Civil Service Superannuation Board

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