PEPP Talk

on **Termination Options**

The plan provisions described in this PEPP Talk are contained in Saskatchewan pension legislation.

Visit us at pepp.plannera.ca to learn more.

This PEPP Talk provides members of the Public Employees Pension Plan (PEPP) with information on their options concerning their account balance upon termination from a PEPP participating employer. You will receive a termination option package from PEPP on termination from a PEPP participating employer.

Vested and Locked-In

You become vested and locked-in to the Plan effective the date of your enrolment.

Vested means you are entitled to the employer's contributions made on your behalf and the return on investment on these contributions. Locked-in means your account balance must be used to provide income at retirement. It cannot be refunded to you in cash.

Termination Options

Upon termination of your employment with a PEPP Participating Employer you may:

- leave your account balance in PEPP up to age 71 when the *Income Tax Act* states you must purchase a retirement income option. You will continue to accumulate plan membership and your account will continue to be valued based on current unit values. You can transfer your account balance as outlined below at any time, or you may use your account balance to provide retirement income as early as age 50. In the event of your death, your named beneficiary would receive the survivor benefit – the balance in your PEPP account;

- If you are at least age 50, you are eligible for retirement options and to begin to receive retirement income immediately. You may choose one or a combination of the following options:
    - apply for the PEPP Variable Pension Benefit (VPB);
    - apply for a PEPP Lifetime Pension - Single Life, Joint Life, and Guaranteed Period Options;
    - purchase a life annuity from the Saskatchewan Pension Annuity Fund (SPAF) or an authorized insurance company; and/or
    - purchase a prescribed Registered Retirement Income Fund (pRRIF) from a financial institution.

- transfer your account balance and pensionable service to another Registered Pension Plan (RPP) in accordance with a reciprocal or portability agreement. Pensionable service can only be transferred to another RPP in accordance with a reciprocal or portability agreement. We require a completed *Canada Revenue Agency T2151* form to complete this transaction. This form is available from PEPP or your financial institution. Please contact PEPP and the Pension Plan you are transferring to for instructions on how to proceed with this option;

- transfer your account balance to a Locked-in Retirement Account (LIRA);

Please refer to the *Retirement Income Options Booklet* for more information.

- if your account balance is below a dollar minimum calculated as 20 per cent of the Yearly Maximum Pensionable Earnings (YMPE) (as determined by the Canada Pension Plan) or you are age 50 or over and your annual pension is less than four per cent of YMPE, you may apply for the Small Pension Payment. The lump-sum payment may be transferred to an RRSP, or you may receive a cash refund (less withholding tax). Call PEPP to see if you qualify.

- if you are a qualified non-resident Canadian you may request a lump sum payment of your entire PEPP account less income tax. See the PEPP Talk on Lump Sum Payments to a Non-Resident of Canada.

Unlocking Voluntary Contributions at Termination

Voluntary contributions made **on or after January 1, 2001** become unlocked when you terminate from employment with a participating employer.

On your termination date you are eligible to:

- receive a lump-sum payment (less withholding tax) of the value of the units purchased with voluntary contributions made on or after January 1, 2001; or
- transfer the value of the units purchased with voluntary contributions made on or after January 1, 2001 to a Registered Retirement Savings Plan (RRSP), (tax-free rollover).

All voluntary contributions made **prior to January 1, 2001** remain locked-in.

Exercising Your Option

You may exercise your option by completing the applicable **PEPP Termination Option Form** and returning it to PEPP along with any applicable certificates (such as birth certificate, marriage certificate or divorce decree) and Canada Revenue Agency forms required.

The amount you will receive at payout or transfer will be calculated using the unit value in effect at the actual date of payment.

Other PEPP Information to Review

- ***Retirement Income Options Booklet*:** provides options for your account balance at retirement
- ***Lifetime Pension PEPP Talk:*** provides information on PEPP's Lifetime Pension retirement option.
- ***Reciprocal Transfer Agreements PEPP Talk*:** provides information, questions, and explanations that are helpful if you are considering transferring.
- ***Transferring Money into PEPP (PEPP Talk):*** provides information on transferring monies into your PEPP account from another type of registered retirement plan.
- ***Units and Unit Values PEPP Talk:*** provides information on buying and selling units you transfer out of the Plan or among the funds.
- ***Variable Pension Benefit PEPP Talk*:** provides members with information about PEPP's Variable Pension Benefit (VPB).

These documents are available on our website at pepp.plannera.ca.

Questions?

For further information, contact:

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Administered by **Plannera Pensions & Benefits**

The information contained in this issue of PEPP Talk does not replace or supersede The Public Employees Pension Plan Act or The Pension Benefits Act, 1992 or related regulations. In the event of any misunderstanding or conflict, the Acts and Regulations will prevail. Please contact PEPP if you are or were working outside Saskatchewan. Your pension may be subject to the legislation of another province.

The Public Employees Pension Plan produces issues of PEPP Talk as a service to its members. These documents provide information on specific provisions of the Plan. Plan information is available in a variety of other forms including: issues of PEPP Talk on other topics; our newsletter, Pension Perspectives; PEPP Member Booklet; and the PEPP website.