# PEPP Talk

on **Transferring Money into PEPP**

**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 transferring monies into their PEPP account from another type of registered retirement plan.

## Transferring Money into PEPP

All PEPP members, including Variable Pension members and Lifetime Pension members, may transfer monies from another type of registered retirement plan into their PEPP account. These types of transfers are identified as **voluntary transfers**.

Transfers to PEPP can be done directly from Registered Retirement Savings Plans (RRSPs), Saskatchewan Locked-in Retirement Accounts (LIRAs), other Registered Pension Plans (RPPs), and Prescribed Registered Retirement Income Funds (pRRIFs).

PEPP cannot accept transfers of funds that are locked-in outside of Saskatchewan from Locked-in RRSP/LIRAs, Life Income Funds (LIFs), or Locked-in Retirement Income Funds (LRIFs).

Transfers received for PEPP members remain inaccessible[1] at PEPP as long as you are employed with a PEPP participating employer. Employers are not required to contribute toward these transfers.

Variable Pension members may transfer registered money into their Variable Pension account at any time and have full access to the money.

Lifetime Pension members may transfer registered money into PEPP by transfering into an existing PEPP or Variable Pension account first. If they no longer have an existing Variable Pension account, they can apply for a new one. They may then use the transfered registered money to purchase an additional Lifetime Pension if they so choose. Members cannot add on to an existing Lifetime Pension.

### At termination or retirement:

- transfers from non-locked in sources (like RRSPs and RRIFs) made on or after January 1, 2001 will become accessible. You can use these monies in any manner you choose.
- transfers from locked-in sources (like RPPs and LIRAs) will remain locked-in and can only be used to provide a retirement income.

Provided you are still a PEPP member, transfers are accepted any time after termination or retirement.

All transfers in must qualify for administration under *The Public Employees Pension Plan Act*. This means that the exporting plan must agree to the monies being administered under PEPP legislation.

[1] "Inaccessible" voluntary contributions cannot be withdrawn as cash until termination or retirement.

# Steps for Transferring Money into PEPP

- Contact PEPP to let us know your intentions. If you are considering making a transfer from a RPP or LIRA, we must also determine whether or not your monies can be transferred.
- PEPP will send you a Canada Revenue Agency (CRA) T2033 form if you are transferring from an RRSP/ LIRA/pRRIF account, or a T2151 form if you transferring from a Registered Pension Plan (RPP) or DPSP, with the Transferee section completed showing the money is to be transferred to PEPP.
- Complete the personal information section of the T2033 or T2151 and then have the financial institution or pension plan that is administering your RRSP, LIRA or RPP complete the Transferor section. The member should also complete the description of the amount to be transferred to PEPP (either all of the property/ entitlement or a partial amount).
- The financial institution will then send the form and the transfer amount to PEPP.
- A confirmation will be sent to you and the financial institution when PEPP receives the transfer.
- Your transfer will be invested according to your existing investment instructions unless you notify PEPP otherwise.

# Non Locked-In Transfers

All or a portion of an RRSP, including spousal RRSPs where the PEPP member is the annuitant, may be transferred to PEPP. A transfer is not subject to the maximum contribution limit imposed by the *Income Tax Act* (Canada) since the maximums were applied at the time the original RRSP was purchased.Depending on the type of transfer account, there may be a fee imposed by the financial institution to close and/or transfer prior to maturity.

# Locked-In Transfers

Due to variances in pension legislation you must contact PEPP for approval to transfer from locked-in sources (LIRAs and RPPs). You must also contact the administrator of the account or plan you wish to transfer from, to determine if they will allow the transfer into PEPP. The LIRA/RPP Administrator will need to know that PEPP is governed by *The Public Employees Pension Plan Act*.

**A transfer from a Pension Plan or LIRA must qualify for administration under *The Public Employees Pension Plan Act*. Any transfers received that cannot be governed by this legislation will be returned to the transferring institution and any loss of income incurred will be at your cost.**

# Investing Your Transfers

Your transfer will be invested according to your existing investment instructions, unless you notify PEPP of a change. Any changes you request will be applied to your entire account balance.

PEPP has several investment options. Deciding which PEPP fund to invest in is a personal decision. It is recommended that you complete the PEPP Member Investor Profile, which is a questionnaire designed to help you make your investment choices. It is not a substitute for professional financial advice; it is a guide only. The Investor Profile and Fund Fact Sheets are available on the website.

# Benefits of Transferring to PEPP

- Consolidation of your registered monies may make managing your retirement investments easier.
- PEPP contracts professional investment managers. There is one low administrative fee that combines investment manager fees, custodian fees and administration fees.
- Like RRSPs there is protection from creditors. Your transfer cannot be attached or seized by creditors. The Family Property Act and The Enforcement of Maintenance Orders Act, 1997 are exceptions to this provision.

# Other Considerations Before Transferring to PEPP

- You cannot access the money as long as you are employed with a PEPP participating employer.
- PEPP requires you to name your spouse as beneficiary unless a spousal waiver form is completed.

# Other PEPP Information to Review

- ***PEPP Talk on Voluntary Contributions:*** provides information on making voluntary contributions by payroll deduction to your PEPP account
- ***PEPP Talk on Reciprocal Transfer Agreements:*** provides information and explanations that are helpful if you are considering transferring money from another Registered Pension Plan into PEPP
- ***PEPP Talk on Changing Your Investment Options:*** provides information about changing how your future contributions are invested and transferring units among the available funds within the Plan
- ***PEPP Talk on Units and Unit Values:*** provides information on buying and selling units you transfer out of or into the Plan or among the PEPP funds.
- ***Fund Fact Sheets:*** provides information such as rates of return, and administration fees for each of the PEPP Funds.
- ***Information Summary to Investment Options in PEPP:*** provides information about PEPP, purchasing units in investment funds, risk factors and performance objectives.

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.*