



Member Booklet



Your **plan.** Your way.

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Introduction

This member booklet provides an overview of the provisions of the Public Employees Pension Plan (PEPP). In the event of error or discrepancy, the terms of *The Public Employees Pension Plan Act* and *Regulations* will apply.

Type of Plan

PEPP is a defined contribution pension plan. Your contributions and your employer's contributions, plus any return on investment, will be used to provide you with income based upon your account balance, when you retire. Your *account balance* is the number of units you have in each investment option multiplied by the current unit value for each option.

As an employer-sponsored pension plan, PEPP is a key way to save for retirement, in addition to personal savings and government benefits.

Governing Legislation

PEPP is a registered pension plan under the *Income Tax Act* (Canada). It is governed by *The Public Employees Pension Plan Act* and *The Public Employees Pension Plan Regulations, 2015* – links to both can be found on our website.

In the event that *The Public Employees Pension Plan Act* does not address a particular issue or situation, the provisions of *The Pension Benefits Act, 1992* will apply. If the provisions of these Acts are inconsistent, *The Public Employees Pension Plan Act* will apply.

Public Employees Pension Board

The Public Employees Pension Board oversees the administration of the Plan and the investment of the pension fund. The nine-member Board consists of the Chairperson, four employee appointees and four employer appointees.

The members of the Board are listed on our website.

PEPP's Purpose and Mission

Purpose

To provide retirement benefits to its members.

Mission

To provide members with a means of saving for retirement, a flexible way to receive retirement income, and pension services.

Plan Administrator

The Board delegates the day-to-day responsibilities to Plannera Pensions & Benefits (Plannera) as the Plan administrator.

Our Commitment

The purpose of the Public Employees Pension Plan (PEPP) is to provide retirement benefits to our members.

PEPP's goal is to ensure that our members are well informed about the Plan and the choices they can make within the Plan.







Employer Responsibilities

Employers are responsible for identifying each employee as permanent or non-permanent to determine mandatory or optional enrolment, and providing the information to PEPP. They must ensure notices of enrolment are submitted to PEPP. Employers have the responsibility to notify PEPP of any changes in your employment within 15 days. They must also remit contributions to PEPP no later than 15 days after the date you are paid.

Member Rights and Responsibilities

It is your right and responsibility to be informed about the Plan, including all of its features and services, and about all of your investment choices you have. You have the right to access information. PEPP has several sources of information referenced in, and including, this booklet.

As a member, you are responsible to:

-  Make investment decisions and understand they will affect your account balance.
-  Be informed about the Plan using the documents, information, and tools available.
-  Determine the amount of personal savings you need for retirement outside of PEPP.
-  Consult a qualified financial advisor with knowledge of the pension industry to discuss your specific financial situation. Plannera employs Retirement Information Consultants (RICs) who hold their CERTIFIED FINANCIAL PLANNER®, QUALIFIED ASSOCIATE FINANCIAL PLANNER™, or Personal Financial Planner® certifications.

You are responsible for the investment option(s) you choose. While you cannot control the performance of a particular investment option, you do make decisions about the investment fund options in which you invest. See the Investments section on pages 14-20 for more information.

Permanent Employees

If you are a permanent employee, you are required to join the Plan.

Non-Permanent Employees

If you are a non-permanent employee, you may choose to join the Plan at any time. If you decide to join PEPP at a later date, your membership will not be retroactive.

Some participating employers require you to join the Plan as a condition of employment, whether you are a permanent or non-permanent employee.

Welcome Kits (Enrolment)

When PEPP receives notification of your enrolment from your employer, PEPP will provide you with a Welcome kit. The kit includes a form for you to complete that will give PEPP the necessary information to finalize your enrolment in the Plan. The kit also provides information about the Plan.

Designating a Beneficiary

When you enrol in the Plan, you are required to name a beneficiary who will receive the death benefit if you die before you begin receiving retirement income.

If you are single, you may name any person or organization as a beneficiary. If you have a spouse – legally married or common-law – they are automatically your beneficiary and will remain so unless your spouse completes a spousal waiver form.

If you wish to change your beneficiary(ies), you must complete a *Designating a Beneficiary* form. If you have a spouse, your spouse must also complete the *Spouse's Waiver of Death Benefits* form.

Definition of a Spouse

A spouse is:

- ✔ The person to whom you are legally married; or
- ✔ If you are not married, the person with whom you are living in a conjugal relationship, and to whom at least one of the following situations applies. They:
 - Have been living with you in a conjugal relationship for at least 12 continuous months;
 - Is the parent of your child by birth or adoption; or
 - Have custody and control of your child (or had custody and control immediately before the child turned 19 years of age) and your child is wholly dependent on that person for support.

A spousal relationship with someone to whom you are legally married ceases upon divorce.

A spousal relationship with someone to whom you are not married ceases upon a separation of at least 90 days due to a breakdown in your relationship. The individual resumes being your spouse if you resume living together in a conjugal relationship for a NEW period of at least 12 continuous months.

A married spouse takes priority over another person even if that person meets the definition of a spouse. You cannot have more than one spouse at any given time.

Inform PEPP if your marital or common-law status changes.

Resources: Joining the Plan

Forms

- Change in Personal Data
- Declaration of Common-law Spouse to be completed by member
- Declaration of Common-law Spouse to be completed by common-law spouse

PEPP Talks

- Designation of Beneficiary
- Waiver of Spousal Benefits
- Units and Unit Values

For more information, visit our website or contact PEPP.



Contributing to the Plan

Required Contributions

You and your employer are required to contribute to the Plan. Your contributions are deducted from your paycheque.

Contribution Percentage

The contribution percentage for employees and employers may be defined in an agreement between the employee and employer (a collective agreement or some other employment agreement).

If the contribution percentage and the definition of salary is not specified in an agreement, then your contribution percentage is five per cent of your salary as defined by the Plan; your employer will contribute an equal amount.

Maximum Contributions

The maximum you and your employer may contribute to PEPP in a calendar year is 18 per cent of your salary, up to a dollar maximum¹ specified by the *Income Tax Act* (Canada). Employee and employer contributions that exceed the maximum will be refunded to you and your employer, respectively.

¹ The Canada Revenue Agency (CRA) website (www.cra-arc.gc.ca) has further details and annual maximum limits.

Employee Voluntary Contributions

All active contributing PEPP members may make additional voluntary contributions to PEPP. A *voluntary contribution* is money that you choose to contribute to PEPP to help build your retirement income.

Members considering voluntary contributions should note:

- Voluntary contributions can only be made by payroll deduction;
- Employers are not required to match voluntary contributions;
- Once a voluntary contribution is received by PEPP, you cannot access it until termination of employment with a PEPP participating employer; and
- You may stop making voluntary contributions at any time.

Contact the area of your organization with human resource or payroll responsibilities if you wish to make voluntary contributions. It is your responsibility to keep within the maximum contribution limits set by the CRA.

Transferring Money into PEPP

All PEPP members, including Variable Pension Benefit (VPB) members, may transfer monies from other registered retirement plans into their PEPP account. Once funds are transferred into PEPP, they cannot be accessed while the member is still actively employed with a PEPP employer. Transfers to PEPP can be done directly from a Registered Retirement Savings Plan (RRSP), a Locked-in Retirement Account (LIRA) or another Registered Pension Plan (RPP).

Registered Retirement Savings Plan (RRSP)

You may transfer your personal RRSP into PEPP at any time. Check with your financial institution to see if you will incur any penalties/fees prior to transferring your funds. You can also transfer a spousal RRSP into PEPP, if you are the annuitant. Contact PEPP for more information on transferring RRSPs into the Plan.

Locked-In Retirement Account (LIRA)

A *LIRA* is better known as a locked-in RRSP. Because it is locked-in, the money in a LIRA cannot be withdrawn and must ultimately be used to provide you with retirement income. Contact PEPP to determine if the monies can be transferred in.

Transferring Funds from Other Registered Pension Plans

If you have money in another Registered Pension Plan, you may be able to transfer those funds directly into PEPP. To do so, contact your former plan administrator to find out if and how the funds can be transferred. All transfers from pension plans are subject to locking-in agreements.

Contributing to the Plan

Resources: Contributing to the Plan

PEPP Member Online Account

PEPP Talks

- Voluntary Contributions to PEPP
- Transferring Money into PEPP
- Reciprocal Transfer Agreements

For more information, visit our website or contact PEPP.



Investments

All of PEPP's investment funds are recorded in units. Your *account balance* is the number of units you have in each investment option multiplied by the current unit value for each option.

When you contribute to the Plan, you purchase units in the investment option(s) you choose.

When you transfer from one option to another or transfer out of PEPP, you sell units. The amount you receive at payout or transfer is calculated using the unit value in effect at the date of payment.

Units are valued daily following market close. Once a new unit value is declared, member accounts are valued using the new unit value. Return on investment (ROI) is reflected in the changing unit value.

Investment Options

Your contributions and your employer's contributions purchase units in a fund. PEPP offers eight investment choices. You may invest in up to three funds at one time. Choose from six asset allocation funds (PEPP Steps, Conservative, Moderate, Balanced, Growth or Accelerated Growth) and two specialty funds (Money Market or Bond). You may invest in one asset allocation fund at a time and add one or both of the specialty funds, or invest solely in specialty funds. Asset allocation funds invest in a variety of markets with different asset classes (equity, alternatives, and income). The Bond and Money Market Funds invest strictly in fixed income assets.

All of PEPP's investment funds are managed by professional investment managers under the direction of the Public Employees Pension Board. See the *PEPP Statement of Investment Policies and Goals* (SIP&G) on our website for more information.

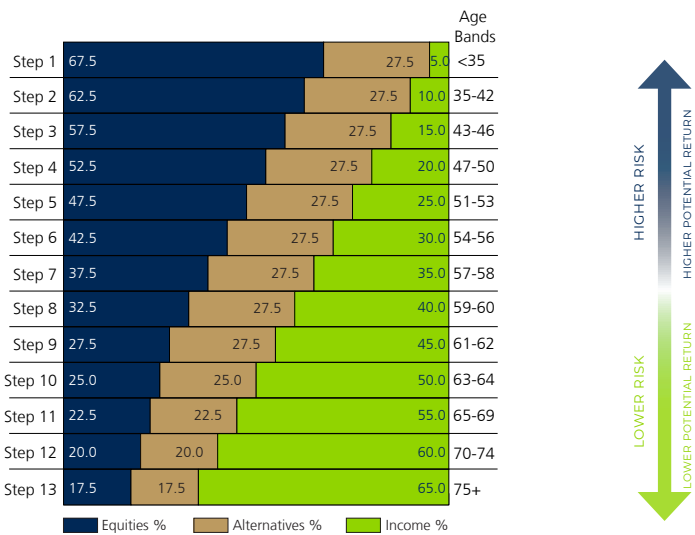
PEPP Steps Fund

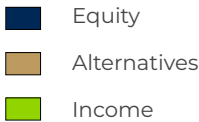
The PEPP Steps Fund is a lifecycle investment option made up of 13 steps. Members enter the fund at the step that matches their age, and then are automatically moved into more conservative asset mixes as they progress through the age bands. This fund may be an appropriate investment option for Plan members who prefer a hands-off approach to investing.

Default Investment Option

The PEPP Steps Fund is the default investment option for PEPP. New PEPP members are initially enrolled in PEPP Steps, but any member may choose to invest in the fund at any time. Until the member informs us otherwise, all contributions (employee, employer, and voluntary) are invested in the PEPP Steps Fund.

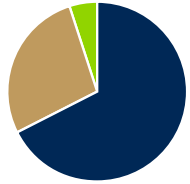
Members may transfer into or out of PEPP Steps at any time using their member online account or the *Investment Option Changes* form available online.





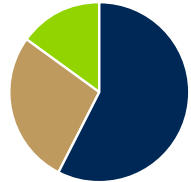
Accelerated Growth Fund

The Accelerated Growth Fund offers the highest risk and highest potential return in the PEPP investment funds. Its goal is to provide capital growth over the long-term. It invests primarily in equities (target weight of **67.5** per cent), with some investments in alternatives and income.



Growth Fund

The Growth Fund is an aggressive fund, offering relatively high risk and relatively high potential return. Its goal is to provide capital growth over the long term by investing primarily in equities (target weight of **57.5** per cent), complemented by investments in alternatives and income.



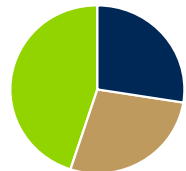
Balanced Fund

The Balanced Fund offers relatively balanced potential risk and return. The goal of this fund is to provide long-term capital growth. The Balanced Fund provides a target weight of **42.5** per cent for equities, **30** per cent income, and **27.5** per cent alternatives.



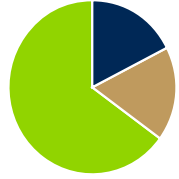
Moderate Fund

The Moderate Fund is designed to provide a balance of security and long-term growth by balancing the risk and potential returns of the major asset classes. The fund targets an asset mix of **45** per cent income, **27.5** per cent equities, and **27.5** per cent alternatives.



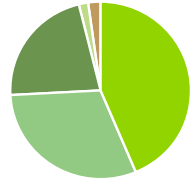
Conservative Fund






The Conservative Fund is designed to provide returns with less fluctuation. By focusing mainly on income investments, it offers lower risk and lower potential for return than other PEPP asset allocation funds. In addition, the fund provides an equal investment in equities and alternatives, with a target weight of **17.5** per cent each.



Bond Fund

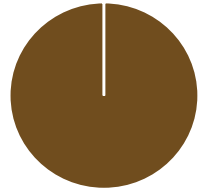
The Bond Fund invests in fixed income and money market assets. Investors choosing this fund will need to be comfortable with the relatively low expected returns and volatility that result from investing primarily in bonds.



-  Core
-  Core Plus
-  Absolute Return
-  Direct Lending
-  Money Market

Money Market Fund

The Money Market Fund invests **solely** in money market instruments through a single investment manager. The objective of the fund is to preserve capital. The fund is the most conservative within PEPP and offers the lowest level of risk but provides the lowest potential returns.



Note: For a more detailed description of each of PEPP's funds, see the Fund Fact Sheets on our website at www.plannera.ca

Fees

Like many other investments, PEPP does not bill you separately for investment fees. The Plan deducts these expenses from the unit value. Fees vary between investment options.

All investment options incur a common administration fee, but each option is charged a different investment fee based on the asset mix, as some investments cost more to manage than others. Fees cover only actual costs of operating the Plan.

The types of fees reflected in the unit values are:

- *Administration fees* - salaries, benefits, computer systems and general expenses of operating the Plan, including investment consultant services
- *Investment custodial fees* - safekeeping and transaction fees
- *Investment manager fees* - managing Plan investments

These fees are combined and deducted from the unit value applied to member accounts and posted to the website.

Additional fees a member may pay are transaction-related fees for inter-fund transfers, spousal relationship breakdown calculations, or maintenance enforcement. A full disclosure of fees is in the PEPP annual report, available on our website.

As PEPP fees are through cost recovery, including transaction related fees, they are relatively low compared to outside funds.

Changing Your Investment Option

You may invest all or a portion of your contributions (employee and employer) in up to three funds at one time.

You may allocate:

- ✔ All contributions in any one asset allocation fund: Accelerated Growth Fund, Growth Fund, Balanced Fund, Moderate Fund, Conservative Fund, and PEPP Steps Fund;
- ✔ All contributions in the Money Market Fund and/or Bond Fund; or
- ✔ A portion of the contributions in one asset allocation and a portion in the Money Market Fund and/or Bond Fund (three funds at one time)

The *PEPP Fund Line-up* invests in a variety of markets with different asset classes (equity, alternatives, and income).

If you wish to change how your contributions are invested or to transfer money from one investment option to another, make a transfer through your member online account or complete and submit to PEPP the *Investment Option Changes* form. For fees on changing your investment options, please see the *Member Transaction Fee Listing* on the PEPP website under *Member*.

You may wish to consult *My PEPP Investor Profile* on our website when choosing a PEPP investment option or deciding to transfer your account balance and future contributions to a different option. The profile is designed to help you measure your attitude about risk and return, and find out what type of investor you are. It will help guide you towards a PEPP fund that may best suit you.

Resources: Investments

- PEPP Member Online Account
- Investment Basics Booklet
- Fees and Expenses Brochure
- Fund Fact Sheets
- My PEPP Investor Profile
- Information Summary to Investment Options in PEPP
- PEPP Statement of Investment Policies and Goals (SIP&G)

Forms

- Investment Option Changes

PEPP Talks

- Changing Your Investment Options

For more information, visit our website or contact PEPP.



Leaves of Absence

Generally, a Leave of Absence (LOA) is time away from your position that is approved by your employer. It is assumed that you will return to your original position at the end of the leave.

Eligibility

Your leave of absence (i.e. education leave, maternity leave, or parental leave) must be pre-approved by your employer. To be eligible for this provision, during the leave you must not be working for another PEPP participating employer.

While you cannot contribute to the Plan when you're on an approved LOA, you have the option to make contributions to the Plan for the period of leave when you return to work. You must be an active¹ member to contribute for a leave.

¹ Pension plans can only accept contributions as a result of a leave of absence from active (employed and contributing to PEPP) members.

Process

You have 90 days from your leave end date to start paying back your contributions. If you use accumulated vacation between the leave end date and your return to work, this 90-day period is not extended. If you elect to contribute for the period of your leave, your contributions will be based on the salary you were earning before you went on the leave and the contribution rates in effect during the leave.

Your employer should provide a *Leave of Absence (LOA) Contribution Options* form and a quote representing your contributions for the period of leave.

You may choose one or more of these options:

- Contribute by payroll deduction-in one lump sum or spread over several consecutive pay periods (subject to CRA and *PEPP Act* limits);
- Contribute by a transfer from your RRSP (on request, PEPP will provide a Canada Revenue Agency T2033 form for you and your financial institution to complete);
- Contribute a lump-sum payment by personal cheque. The cheque should be made payable to your employer; or
- Not contribute for the period of leave. You will not be able to contribute to PEPP for that leave period at a later date.

Return the completed *Leave of Absence (LOA) Contribution Options* form to your employer. You should also keep a copy for your records.

You have the length of the leave or until December 31 of the year after the leave ends, (whichever is shorter), to repay the contributions to PEPP.

Employer Contributions

If you decide to contribute for the period of a leave, your employer is required to make contributions to the Plan in the same manner you choose, unless otherwise defined in an agreement between you and your employer (a collective agreement or some other employment agreement).

If you elect to contribute for the period of leave in a lump sum, your employer must contribute in a lump sum as well.

If you elect not to contribute for the period of leave, your employer is not required to contribute for the period of leave.

Leaves of Absence for Secondment

You may be granted a leave of absence from one PEPP employer but continue to work in another position or for another PEPP employer. You and your new PEPP employer will make contributions based on the salary you receive in the new position. No *Leave of Absence (LOA) Contribution Options* form is required, as contributions were made for this period at the new position.

Long-Term Disability Leaves of Absence

Pension contributions to the Plan will continue if you are eligible for benefits from a disability plan. Your contributions will be based on your salary immediately before you became disabled.

Maximum Leaves of Absence

You may contribute for a maximum of five years of accumulated leaves of absence, not including long-term disability leaves. This maximum may be increased by an additional three years for parental leaves.

Resources: Leaves of Absence

PEPP Talks

- Leave of Absence

For more information, visit our website or contact PEPP.



Breakdown of Spousal Relationships

Dividing Your Account Balance

Your pension plan is considered property under *The Family Property Act*.

Your PEPP account balance can be divided in the event of a breakdown of a spousal relationship. *The Family Property Act* recognizes common-law relationships and legal marriages.

Your account balance can be divided in the event of a breakdown of a common-law relationship if you and your spouse cohabited in a conjugal relationship for 24 consecutive months.

In the event of the breakdown of a spousal relationship, PEPP will divide your account balance in accordance with the terms and conditions set out in a court order or interspousal contract issued under *The Family Property Act*.

The court order or interspousal contract cannot provide for more than 50 per cent of your current account balance to be paid to your spouse.

In the event of a transfer of a portion of a member's account balance to the spouse due to a spousal relationship breakdown, the spouse may open his or her own PEPP account and keep the spousal amount in the Plan, or transfer the spousal amount in a payment to a Financial Institution.

Breakdown of Spousal Relationships

Either you or your spouse may provide the court order or interspousal contract to PEPP. If your spouse notifies PEPP of a court order or interspousal contract requiring a division of your account balance, the Plan administrators at Planneria will notify you that the order or contract has been filed. You will then have 30 days to state any objections to PEPP about the division of your pension asset.

Please contact PEPP for a division calculation; one estimate will be provided free of charge. Additional related marital breakdown calculations are charged in half-hour increments, as per the Member Transaction Fee Listing on the PEPP website. The fee is deducted from your account balance after the calculation is performed and prior to payment.



Breakdown of Spousal Relationships

Beneficiary

Your spouse remains your beneficiary until the spousal relationship is legally dissolved. In the case of a marriage, the spousal relationship is legally dissolved when the divorce is final.¹ For beneficiary purposes, a common-law relationship is legally dissolved when the member and spouse cease living together for at least 90 days.

Under the Plan rules, you are still legally married if you are separated but not divorced. If you are not divorced and wish to name someone other than your spouse as beneficiary, your spouse must complete the appropriate waiver form: the *Spouse's Waiver of Death Benefits Prior to Retirement* if you are not yet retired, or the *Spouse's Waiver of Designated Beneficiary Status (VPB)* if you are a Variable Pension Benefit member. These forms can be found on the PEPP website.

A spouse may revoke the waiver at any time prior to your death.

An alternative to completing the waiver form would be to include the waiver of spousal benefits as part of the interspousal agreement. PEPP must be confident that the spouse fully understands the rights he or she is waiving, and therefore the wording of the interspousal agreement must provide that:

- In the event of the member's death, the spouse waives any and all entitlement to a benefit under the Plan;
- The waiver is given for the purposes of subsection 21(4) of *The Public Employees Pension Plan Act*; and
- The spouse understands that as a consequence of the waiver, he or she will not be deemed to be the beneficiary of the Plan member's account balance.

¹ Plannera requires proof of divorce, such as a certified copy of the divorce certificate or Decree Absolute.

Breakdown of Spousal Relationships

Review your beneficiary designation when a breakdown of spousal relationship occurs. Once a spousal relationship is legally dissolved or a spouse has waived the right to death benefits, you can name anyone as your beneficiary by completing the *Change in Personal Data* form.

Resources: Breakdown of Spousal Relationships

Forms

- Change in Personal Data

PEPP Talks

- Breakdown of Spousal Relationship
- Waiver of Spousal Benefits
- Designation of Beneficiary

For more information, visit our website or contact PEPP.

Maintenance Enforcement

The court can order the withdrawal of funds from your account balance to enforce maintenance orders.

If you are in arrears of maintenance payments for at least three months, the Director of the Maintenance Enforcement Office may file a “Notice to Administrator of Intention to Attach Pension Entitlement” with PEPP. The Plan is obligated to make payment from your account balance.

The amount transferred to Maintenance Enforcement is subject to required income tax deductions. PEPP will issue you a T4A form for the deductions.

The Plan charges an administration fee, outlined in the Member Transaction Fees listing on our website, to offset the cost of complying with the maintenance order. The fee is deducted from your account balance. For more information, contact PEPP.



Termination of Employment

Vested and Locked-In

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

Being *vested* means you are entitled to receive the contributions your employer made on your behalf when you retire or terminate employment with your employer. When your funds become *locked-in*, your PEPP account must be used to provide income at retirement.

PEPP does not have a provision that allows members to obtain their funds in cases of financial hardship, but the Plan does have a terminal illness provision. See page 48 for more information on terminal illness.

If you are a qualified non-resident Canadian, you may request a full payout of your PEPP account as a lump-sum payment less income tax.

Termination of Employment

Termination Options

If your employment ends with a PEPP employer(s), you may elect to:

- Leave your account balance in PEPP. Your account will continue to be valued based on current unit values. Twice each year you will be sent a Member's Statement. You may use your account balance to provide retirement income as early as age 50. In the event of your death, your named beneficiary is entitled to the balance in your PEPP account;
- Transfer your account balance to a Locked-In Retirement Account (LIRA) with a financial institution at any time;
- Transfer your account balance to another registered pension plan, if eligible under a reciprocal or portability agreement with PEPP;
- Take a small pension payment, if your account balance is below a dollar minimum calculated as 20 per cent of the Yearly Maximum Pensionable Earnings (as determined by the Canada Pension Plan). See page 32 for more on the small pension payment; or
- If you are a qualifying non-resident Canadian, you may apply for a full payout of your PEPP account. Call PEPP to see if you qualify.

Small Pension Payment

If you are vested and your account balance is below a dollar minimum, calculated as 20 per cent of the Yearly Maximum Pensionable Earnings (as determined by the Canada Pension Plan), you may apply for the Small Pension Payment.

The Small Pension Payment is also available to members age 50 and older if their annual pension is below four per cent of the Yearly Maximum Pensionable Earnings.

The lump-sum benefit may be transferred to an RRSP, or you may receive a refund (less withholding tax).

Termination of Employment

Accessing Voluntary Contributions/Transfers

Once you end your employment with a PEPP participating employer, you can access your non-locked-in voluntary contributions/transfers you made to PEPP on or after January 1, 2001. You may withdraw your non-locked-in voluntary contributions/transfers (less withholding tax) or you may transfer them to an RRSP.

If you become re-employed with a PEPP participating employer and you have not withdrawn your voluntary contributions, they will be inaccessible again until your current period of employment has been terminated.

Applying for Termination Benefits

Your employer will notify PEPP of your termination. PEPP will then send you a personalized termination option package within 15 to 20 days. Complete the applicable *PEPP Termination Option Form* and return the form to PEPP. Contact PEPP if you have questions.

Resources: Termination of Employment

PEPP Talks

- Termination Options
- Reciprocal Transfer Agreements

For more information, visit our website or contact PEPP.

Normal Retirement

Normal retirement age is 65. You are eligible to convert your account balance to retirement income at age 65. Retirement is not mandatory. You may continue to work for a PEPP employer and contribute to the Plan until the end of the calendar year you turn age 71.

Early Retirement

You may retire early and begin to receive retirement income if you are at least age 50, no matter how long you have been a PEPP member.






Deferred Pension

You may retire and defer receiving your retirement income. You must convert your account balance to a retirement income option by the end of the calendar year you turn age 71.



Retirement Income Options

When you are eligible to start receiving retirement income (at least age 50 and terminated from your PEPP participating employer, or at the end of the year in which you turn 71), you may select **one or more** of these retirement income options:

-  A PEPP Variable Pension Benefit (VPB);
-  A PEPP Lifetime Pension;
-  A combination of a VPB account and a Lifetime Pension, or a VPB account and a life annuity;
-  Transfer out of PEPP to purchase a prescribed Registered Retirement Income Fund (pRRIF) or a life annuity; or
-  A life annuity purchased from the Saskatchewan Pension Annuity Fund (SPAF).

If you are eligible to retire when PEPP receives a Notice of Termination form from your employer, you will receive a Retirement Option letter and a retirement information package.

We suggest you attend the [Your Path to Retirement](#) workshop series in advance of your retirement date. These workshops are designed to help members make informed decisions relating to their pension. You may register for a workshop online through the PEPP website or by phoning PEPP.

The Variable Pension Benefit (VPB) and pRRIFs

The PEPP Variable Pension Benefit (VPB) and prescribed Registered Retirement Income Funds (pRRIFs) offer similar benefits. The VPB is administered by PEPP, while pRRIFs are available through banks, trust companies, credit unions, insurance companies, brokerage firms, and independent financial advisors.

Both the VPB and pRRIFs are flexible retirement income options offering control over payments and choice of investment funds. These retirement income options allow you access to your retirement funds while allowing them to remain invested in a tax-sheltered fund.

Withdrawals from the VPB or a pRRIF are taxed in the year they are received. There is no annual maximum withdrawal. For the VPB, no minimum withdrawal is required until the end of the calendar year you turn age 72. For pRRIFs, you are required to make a minimum annual withdrawal the year after purchase.

You may contact PEPP at any time for a VPB estimate.

VPB Death Benefit

The VPB *death benefit* is your pension account balance, which is payable to your spouse (or another beneficiary) upon your death.

Because the VPB or pRRIF do not guarantee a survivor benefit, your spouse must sign a spousal consent and waiver before you can transfer your account balance into the VPB or a pRRIF. The *Spouse's Consent and Waiver of Post-Retirement Benefits* form is available on our website.



Applying for the VPB

You may transfer all or a portion of your account balance to the VPB. To apply for the VPB, complete the *Application for Variable Pension Benefit (VPB)* form on our website. Return the application to PEPP with the required documentation.

All forms must be completed and returned to PEPP before your request can be processed.

Purchasing a pRRIF

If you choose to transfer all or a portion of your PEPP account balance to a pRRIF, contact PEPP and your financial institution for the appropriate forms.



Lifetime Pension

PEPP's *Lifetime Pension* provides you with dependable monthly payments for life, regardless of how long you live, and, depending on the options you choose, your spouse's life too.

When you buy a Lifetime Pension, your money goes into a pool with other Lifetime Pension members. Payments are adjusted annually based on the Moderate Fund's investment performance and the longevity experience of members in the Lifetime Pension. Moderate Fund returns above the 4% goal will increase pension payments.

PEPP will adjust pension payments annually. Payments may be adjusted up or down each year. However, PEPP expects payments will generally increase over time, which should help your pension keep up with inflation.

Funds used to purchase a Lifetime Pension must come from PEPP accounts administered under Saskatchewan legislation. Funds are locked in permanently. This ensures a stable income stream for all members in the fund.

A Lifetime Pension is available as single or joint life, with guarantee period options of Life-only, 5, 10, or 15 years.

Contact PEPP at any time for a Lifetime Pension estimate.

Lifetime Pension Survivor Benefit

The Lifetime Pension provides your spouse with a survivor benefit in the event of your death. PEPP calculates the amount based on a percentage of the monthly pension in effect on your death date.

You can choose either 100% of your Lifetime Pension to continue to your surviving spouse or 60%. If you pass away before your spouse, PEPP will direct these monthly pension payments to your spouse for their lifetime.

- ✔ PEPP must be confident your spouse is fully aware of the rights they are waiving, and your spouse must complete the *Spouse's Consent and Waiver of Post Retirement Survivor Benefits* form.
- ✔ This form must be signed outside the immediate presence of you (the member) and witnessed by a Notary Public or Commissioner for Oaths in and for the province of Saskatchewan.

The spouse indicated when you purchase a Lifetime Pension is permanent and cannot be changed after, regardless of any changes to your marital status. If you enter a spousal relationship after buying a Lifetime Pension, you cannot convert the single life option to a joint life option.

When you buy a Lifetime Pension with a guarantee period, you may choose a beneficiary(ies) to receive any remaining benefits if you, and your spouse, if applicable, pass away.

If you wish to name someone other than your spouse as your beneficiary, you must complete the *Lifetime Pension Spouse's Waiver of Designated Beneficiary Status* form.

Applying for the Lifetime Pension

You can transfer either a portion or your entire account balance from your PEPP or Variable Pension Benefit (VPB) account to purchase a Lifetime Pension.

Funds outside of PEPP must be transferred to a PEPP or VPB account before they can be used to purchase a Lifetime Pension.

Purchases must be at least 20% of the Year's Maximum Pensionable Earnings (YMPE) and total purchases per member are capped at one million dollars.

To apply for the Lifetime Pension, complete the *Application for Lifetime Pension* form on our website. Return the application to PEPP with the required documentation, including any listed other applicable forms.

All forms must be completed and returned to PEPP before your request can be processed.

Life Annuity

A *life annuity* provides fixed monthly income guaranteed for your lifetime. It provides monthly payments based on the type of annuity and options you select. The two types of annuities are single life and joint life annuities.

Single Life Annuity at a minimum provides guaranteed fixed monthly payments for your lifetime.

Joint Life Annuity at a minimum provides guaranteed fixed monthly payments for your lifetime, and in the event of your death, payments continue in whole or in part to your spouse for their lifetime.

If you have a spouse at the time of retirement, you must choose a joint life annuity unless your spouse waives the right to the lifetime survivor benefit.

The *survivor benefit* is the benefit payable to your surviving spouse upon your death if you were retired and receiving a life annuity. The survivor benefit you choose determines the percentage (60-100%) of your annuity payment your spouse receives in the event of your death.

Your annuity may also have a *guarantee period*, which specifies the number of years that the full annuity payment will be received by your spouse or beneficiary before adjusting to the survivor benefit. In general, the more generous the survivor benefit and the longer the guarantee period, the smaller your monthly annuity payment will be.

Purchasing a Life Annuity

You may purchase a life annuity with all or a portion of your account balance. Life annuities are available from:

- The Saskatchewan Pension Annuity Fund (SPAF), administered by Plannera; or
- Life insurance companies.

Applying for a Life Annuity from SPAF

You may contact PEPP at any time if you would like an annuity estimate. To purchase a life annuity from SPAF, request a *SPAF Annuity Application* from the Plan.

If You Have a Spouse

If you have a spouse and wish to apply for the VPB, a Lifetime Pension, a pRRIF, or a single life annuity, your spouse must complete the [Spouse's Consent and Waiver to Post-Retirement Survivor Benefits](#) form. The waiver is required because the VPB, pRRIF and single life annuity do not provide a minimum death/survivor benefit for your spouse, and because Lifetime Pension provides a single life option that does not include a spouse.

This form must be signed by the spouse outside the immediate presence of the member. The spouse's signature must be witnessed by an adult who is not the member. The waiver cannot be signed more than 90 days before the account balance is transferred to purchase the annuity or another retirement income product.

For example, if you have a spouse and wish to purchase an annuity, you must purchase a joint life annuity with the continuation of at least 60 per cent of your retirement income to your spouse in the event of your death after retirement.

Your spouse may choose to waive the right to this survivor benefit by completing the form. This would allow you to purchase a single life annuity, or a joint life annuity with less than 60 per cent survivor benefit.

Accessing Voluntary Amounts at Retirement

Once you retire, any voluntary contributions and/or transfers from RRSPs made to the Plan as voluntary contributions on or after January 1, 2001 can be accessed. You can use these voluntary amounts toward a VPB or annuity, or withdraw these amounts, subject to withholding tax.

Any voluntary contributions made prior to January 1, 2001 and any locked-in funds transferred to PEPP remain locked in to purchase a retirement income option.

Choosing the Right Retirement Option

Many factors affect which retirement income option is best for you, such as your:

- Knowledge of investments and tolerance to risk;
- Account balance;
- Age;
- Spouse's age (if applicable);
- Health; and
- Other potential sources of retirement income.

Having adequate income for retirement depends on a number of factors. Planning for retirement is your responsibility. PEPP does not provide financial advice, but we do provide guidance and knowledgeable staff, like Retirement Information Consultants, who have CERTIFIED FINANCIAL PLANNER®, QUALIFIED ASSOCIATE FINANCIAL PLANNER™, or Personal Financial Planner® certifications, to assist you in better understanding your retirement options.

We also encourage you to consult your accountant, lawyer, or a qualified financial planner with knowledge of the pension industry to evaluate your personal situation.

Resources: Retirement

- PEPP Retirement Planner - Drawdown Guidance Tool
- Retirement Income Options booklet

Forms

- Variable Pension Benefit (VPB) Application
- Lifetime Pension Application
- SPAF Annuity Request
- Spouse's Consent and Waiver of Post-Retirement Survivor Benefits
- Spouse's Waiver of Death Benefits Prior to Retirement
- Spouse's Waiver of Designated Beneficiary Status

PEPP Talks

- Annuities From SPAF
- PEPP Variable Pension Benefit (VPB)
- PEPP Lifetime Pension
- Waiver of Spousal Benefits

For more information, visit our website or contact PEPP.

Terminal Illness

PEPP has a provision that allows you to apply for a partial or complete payout of your account balance on the basis of your terminal illness. This allows you to access additional funds at a critical time.

PEPP defines *terminal illness* as an active, progressive disease leading to death within one year.

For more information, call PEPP.

Death Benefit Before Retirement

In the event of your death before you begin receiving retirement income, the Plan will provide a *death benefit* to your beneficiary equal to the value of your account balance on the payment date.



Spouse as Beneficiary

If you have a spouse, your spouse will receive the entire death benefit if you die. Your spouse can:

- Use the death benefit to apply for the PEPP Variable Pension Benefit (VPB), a PEPP Lifetime Pension, or a Life Annuity;
- Consolidate the death benefit into his or her own PEPP account if they are currently a PEPP member;
- Enrol as a PEPP member and leave the death benefit in the Plan;
- Transfer the benefit to a Registered Retirement Savings Plan (RRSP) or Locked-In Retirement Account (LIRA), provided your spouse is less than age 72;
- Transfer the benefit to another Registered Pension Plan (RPP);
- Purchase a prescribed Registered Retirement Income Fund (pRRIF); or
- Receive a refund (less withholding tax).

Death Benefits

Your spouse may set up a PEPP account in his or her own name and leave the account balance in PEPP. Their PEPP account balance will continue to be valued based on current unit values. If your spouse is currently a PEPP member, they may consolidate the death benefit into their PEPP account.

If you wish to name someone other than your spouse as your beneficiary, your spouse must complete the appropriate spousal waiver: *Spousal Waiver of Death Benefits Prior to Retirement*.

This waiver must be signed by the spouse outside the immediate presence of the member. The spouse's signature must be witnessed by an adult who is not the member. Your spouse may waive rights to all or a portion of the death benefit. They may revoke this waiver at any time prior to the date of your death.



Beneficiary Other Than Spouse

If you do not have a spouse, or if your spouse waives entitlement to death benefits, the death benefit (your account balance) will be paid in a lump sum to your beneficiaries or your estate (less required withholding tax).

You may also name an alternate beneficiary who will receive the death benefit in the event your beneficiary predeceases you. An alternate beneficiary can be added using the *Change in Personal Data* Form.

Beneficiary Under 18 Years of Age

If you wish to name a minor (under 18 years of age) as a beneficiary, you should appoint a trustee to ensure that the benefits will be paid according to your intentions.

Resources: Death Benefits

PEPP Talks

- Waiver of Spousal Benefits
- Designation of Beneficiary

For more information, visit our website or contact PEPP.



Member Online Services

We provide a variety of resources and tools to help you make informed decisions about your PEPP account.

Member Online Account

Your PEPP member online account is a secure online tool that allows you to monitor your PEPP account 24 hours a day, seven days a week. You can:

- See your PEPP account activity
- View or change your contribution instructions
- Review your personal information
- Change your address
- Verify your designation of beneficiary(ies)
- Confirm and/or manage your investments
- View payment frequency instructions (for VPB members)
- Review and print your Member Statements
- Access the PEPP Retirement Planner
- Change your security settings (password)

PEPP Retirement Planner

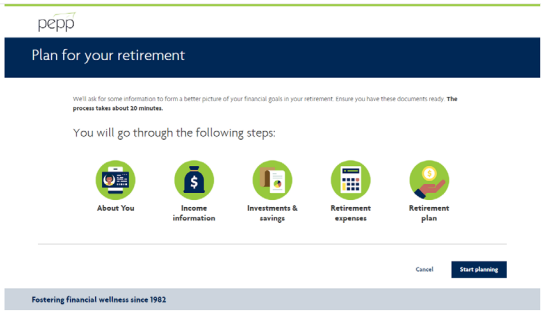
The PEPP Retirement Planner is a secure, online tool to help you assess your financial projections into retirement.

Overall, the tool looks at your income sources in retirement, such as your PEPP account, savings, and federal government benefits. It also captures where your money goes - living expenses, health care, or travel - to name just a few.

The Planner walks you through four sections. The more data you include, the more accurate your results may be. You can also include outside retirement assets or income. Once you enter your personal information, the Planner does the calculations and projections for you.

The Planner then creates a personalized report showing how long your retirement savings may last. You'll also get a retirement score. This shows whether you're on track to meet your retirement goal. If not, it will provide recommendations to help you close the gap.

Want to access the Planner? Go to pepp.plannera.ca and click on the Member Login button in the upper right-hand corner of the page. Log in to your online PEPP account. On the online account home page, select the PEPP Retirement Planner from the Quick Links menu.



Presentations and Workshops

PEPP offers workshops geared toward members at various stages in their careers. The sessions range from learning the financial basics to focusing more on the details of investing and retirement planning. The schedule and full descriptions of the presentations and workshops are available online under Learning Events in the top menu or at the bottom of the PEPP homepage.

Member newsletter

Pension Perspectives is sent quarterly to PEPP members.

Member Statement

Twice a year, you will receive a PEPP Member Statement showing your total account balance and all transactions for the reporting period. Your statement is mailed to your last address on file. If your address changes, contact PEPP.

VPB members receive an annual Member Statement for the year ending December 31. At any time, you can view current and prior PEPP Member Statements or VPB Statements online.

Your March Semi-Annual Member Statement will show an estimate of your account balance at different retirement ages. This projection helps you see how your PEPP account might grow and what your monthly income could be when you retire. These estimates are based on assumptions on your earnings, contributions, and investment returns.

PEPP Talks

If you're looking for more in-depth information about a topic, we have you covered with a PEPP Talk. Example: To learn about Designating a Beneficiary, go to that page on the website, then click on the PEPP Talk found on the right-hand side of the page.

Contact Us

We're always here to help. Connect with us for answers to your questions or for help with developing your personal retirement plan.

Public Employees Pension Plan

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