



Your ^{PENSION} AND BENEFITS *Liaison*

INFORMATION FOR RETIRED MEMBERS OF THE FEDERAL PUBLIC SERVICE PENSION PLAN



ISSUE 7 - 2013

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Changes to the Federal Public Service Pension Plan

The Government of Canada announced changes to the public service pension plan to ensure its long-term sustainability. It also ensures that current and future public service plan members are provided with pension benefits at a fair cost.

These changes came into effect on January 1st, 2013, however, as a retired member entitled to a pension, you **are not affected** by the following changes:

- Pension contribution rates will gradually be increased over time to reach an employer:employee cost sharing ratio of 50:50. This change affects employees who are working in the federal public service and who are contributing to the plan.
- The normal retirement age for new employees who become public service pension plan members on or after January 1st, 2013, has been raised from 60 to 65. As such, those plan members may be eligible to retire with an unreduced pension benefit at age 65 with at least two years of pensionable service, or at age 60 with at least 30 years of pensionable service.

Changes to the Old Age Security Program

In 2012, the Government of Canada announced changes to the Old Age Security (OAS) program. As the OAS and the public service pension plan are not linked the changes to the OAS **will not affect** your public service pension benefits.

For more information, contact Service Canada at **1-800-277-9914** or visit their Web site at www.servicecanada.gc.ca.

Re-employment in the Federal Public Service

Are you thinking about rejoining the federal public service? The scenarios below will help you understand the impact re-employment could have on your public service pension.

Note: Effective January 1st, 2013, the age of retirement was raised from age 60 to 65. However, this plan change **does not apply** to you since you were already a participant of the public service pension plan prior to January 1st, 2013, and are entitled to or in receipt of a monthly pension.

Scenario A – Re-employed in the federal public service and not eligible to contribute to the pension plan

There will be no impact on your public service pension. You will be entitled to receive your pension benefit and the salary from your new position.

Scenario B – Re-employed in the federal public service and eligible to contribute to the pension plan

Your monthly pension payment (including indexing) will cease immediately. Your monthly pension benefit will resume only after you stop contributing to the plan.

Re-employed for more than two years

If you become re-employed for a period of two or more years, your pension will most likely be recalculated based on your additional period of service when you leave the public service. The annual indexation percentage will be based on your most recent date of retirement and you will lose any indexing you may have accumulated to date. As a result, your new monthly pension plus indexation could be lower than your previous total pension benefit.

Re-employed for less than two years

If you voluntarily resign prior to age 60 and before having completed two years of pensionable service, you will only be entitled to a return of your pension contributions plus interest for the period of re-employment. The service will not be used to recalculate your pension. Your previous monthly pension benefit will be reactivated, but the amount could be lower than the amount received before re-employment because the annual indexation percentage is based on the most recent date of retirement and you will lose any indexing you may have accumulated to date.

If you are re-employed at age 71 or older, you cannot contribute to the public service pension plan. However, if you are hired in a position that would normally require you to contribute to the pension plan and you are prevented from doing so only because you have reached age 71, your monthly pension (including indexing) will cease to be paid until you stop working.

Scenario C – Re-employed outside the federal public service

Re-employment outside the federal public service has no effect on any of your public service pension benefits.

Due to the potential impact on your pension, contact the Pension Centre before you decide to become re-employed in the federal public service.

Voluntary Deductions from your Pension

Aside from mandatory income tax deductions, you may choose to have voluntary deductions taken from your pension payment. For example, you may opt to have monthly contributions deducted for the Public Service Health Care Plan or Pensioners' Dental Services Plan.

You may also donate to your favourite community charity through the Government of Canada Workplace Charitable Campaign (United Way and Healthpartners) and have your donation deducted from your pension. As your donation will be reflected on your T4A, a tax receipt will not be issued.

You may amend or cancel any of your voluntary deductions by writing to the Pension Centre.

For a complete list of deductions, visit Your Public Service Pension and Benefits Web portal at www.pensionandbenefits.gc.ca and select the *Retired Member* audience - *Newly Retired*.

Coordination of Benefits with the Pensioners' Dental Services Plan

The Pensioners' Dental Services Plan (PDSP) is a voluntary, contributory plan for eligible retired members of the public service and their eligible family members. As a member of the PDSP, you pay contributions based on your selected category of coverage. It is important to understand your coverage choices for the coordination of your benefits to ensure you have selected the best option for your personal situation.

| Category of Coverage |
|---|
| Category I - Pensioner only |
| Category II - Pensioner and one eligible family member |
| Category III - Pensioner and more than one eligible family member |

Note that when you enrol in the PDSP you must remain in the Plan for three complete calendar years from the date in which you enrol. If you voluntarily terminate your coverage after those three calendar years, you will not be allowed to re-enrol at a future date.

The following scenarios explain how coordination of benefits may be applied between spouses or common-law partners:

- If one spouse or common-law partner has family level coverage under the PDSP and the other also has family level coverage under another dental care plan, they are able to coordinate their plans to maximize reimbursement.

Note: The combined reimbursement from all plans cannot exceed 100 percent of the actual expenses.

- If both spouses or common-law partners are retired from the public service and both have coverage under the PDSP, coordination of benefits within the plan **is not permitted**. A person cannot be covered under the PDSP as both a member and as a covered family member.

For more information and for the current contribution rates, visit

www.pensionandbenefits.gc.ca. If you have additional questions on coordinating benefits with the PDSP, please contact Sun Life at **1-888-757-7427** (toll free) or **613-247-5100** (in the National Capital Region).



Annual Increase of 1.9% for 2013



Did you know that your pension increase is calculated yearly using the Consumer Price Index?

The new indexing rate is posted every December on Your Public Service Pension and Benefits Web portal at www.pensionandbenefits.gc.ca. The yearly increase in your pension is reflected on your pension payment in January. To find out more about how the indexing rate is calculated and what the current rate is, visit the Web portal and select the *Retired Member* audience.

Take Advantage of your Sun Life Online Services



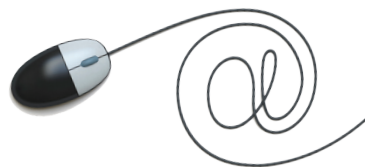
Did you know that as a member of the Public Service Health Care Plan (PSHCP) or the Pensioners' Dental Services Plan (PDSP) you can access your personal accounts online? You can:

- obtain coverage information;
- download and print personalized claim forms and the PSHCP benefit card;
- view the status of current and past claims;
- determine eligibility for your next vision or dental exam;
- update your PSHCP positive enrolment information;
- sign up for direct deposit; and

- select paperless options to view your Explanation of Benefits (claim statements), PSHCP Bulletins and PDSP Communiqués with an email notification.

An Access ID and password are required for each Web site. These can be obtained by registering online at:

- PSHCP - www.sunlife.ca/pshcp
- PDSP - www.sunlife.ca/pdsp



How to Submit a Health or Dental Claim

Public Service Health Care Plan (PSHCP)



The most convenient method to claim eligible PSHCP prescription drugs and some medical supplies is at the pharmacy using your PSHCP benefit card. For other eligible medical expenses that cannot be claimed using your benefit card, mail a claim form along with your original receipts and prescriptions to Sun Life at the address indicated on the form.

Pensioners' Dental Services Plan (PDSP)

To submit a claim under the PDSP you can either:

1. Have your dentist submit your claim electronically to Sun Life on your behalf. You must ensure that your dentist has your current information including your plan and certificate number;
2. Submit your claim form by mail to the address indicated on the form. You must have your dentist complete the appropriate section of the PDSP Claim Form and then complete your section; or
3. Submit your claim electronically through your PDSP My Sun Life Web site at www.sunlife.ca/pdsp.



To obtain a PSHCP or PDSP claim form you can either contact Sun Life, access your online account for a pre-populated form or visit www.pensionandbenefits.gc.ca.

Note: It is your responsibility to keep a copy of your claim forms, receipts and prescriptions.

The Pension Modernization Project is Complete



The project to modernize pension administration, which started in 2007, was completed in early 2013. The 40-year old system used to manage your pension payments has been replaced with modern technology and tools. The new system will help us provide all members with better service.

Pension Calendar

Did you know that you can access the Pension Calendar from Your Public Service Pension and Benefits Web portal to find out when your pension payments are issued and more? Visit the Web portal at www.pensionandbenefits.gc.ca and select the *Retired Member* audience.



In the Event of your Death

Your survivors may be entitled to public service pension and group benefits after you have passed away. Below is a list of what your survivors should do in order to receive benefits.

➤ Notify the Pension Centre immediately

Your survivors will be told what benefits are payable under the pension and group benefit plans and how to apply for them.

➤ Send the death certificate to the Pension Centre

A death certificate is required to pay any survivor pension or death benefits. Your pension number should be clearly indicated on all correspondence and documents your survivors send to the Pension Centre.

➤ Notify or consult other federal, provincial or territorial organizations issuing payments such as:

- Service Canada, responsible for the Canada Pension Plan and Old Age Security benefits. For information, your survivors may consult the *Following a Death* document on the Service Canada Web site at www.servicecanada.gc.ca.
- Régie des rentes du Québec, responsible for the Quebec Pension Plan benefits. Your survivors may consult the *What to do in the event of death* document on their Web site at www.rrq.gouv.qc.ca/en/accueil/Pages.
- Canada Revenue Agency. Your survivors can consult the *What to do when someone has died* document on their Web site at www.cra.gc.ca.

Note: You may want to keep a copy of this article and the contact information for the Pension Centre with your important documents so that your survivors can easily access them.

For more information, visit the *Survivor/Dependant* audience at www.pensionandbenefits.gc.ca.

Pension Income Splitting

When filing your income tax return, you can allocate up to half of your eligible pension income to your spouse or common-law partner if they have a lower income. Income splitting may reduce the amount of income tax that you will pay. For more information on eligible pension income and how to request income splitting, contact the Canada Revenue Agency at **1-800-959-8281** or visit their Web site at www.cra.gc.ca.

GOVERNMENT OF CANADA PENSION CENTRE

CONTACT INFORMATION

Please have your pension number ready when you call us. When writing to the Pension Centre, it is very important that you always provide your:

- pension number;
- surname, first name and initials;
- address (with postal code);
- telephone number (with area code); and
- email address.

This information allows us to access the right pension account in our systems.



TELEPHONE

TOLL FREE

1-800-561-7930

Monday to Friday

8:00 a.m. to 4:00 p.m. (your local time)

OUTSIDE CANADA AND THE UNITED STATES

506-533-5800 (collect calls accepted)

Monday to Friday

8:00 a.m. to 5:00 p.m. (Atlantic time)

TELEPHONE TELETYPE (TTY)

506-533-5990 (collect calls accepted)

Monday to Friday

8:00 a.m. to 5:00 p.m. (Atlantic time)



FACSIMILE

418-566-6298



IN WRITING

Public Works and Government Services Canada
Government of Canada Pension Centre
Mail Facility
PO Box 8000
Matane QC G4W 4T6



ONLINE

www.pensionandbenefits.gc.ca



Keep us Informed

It is important to advise the Pension Centre if there is a change in any of the following:

- address (even if your pension payment is directly deposited into your bank account);
- banking information;
- marital status (married, living in a common-law relationship, widowed, separated, divorced or single);
- address of your designated beneficiary;
- name and address of a contact person in the event of incapacity;
- name and address of the person who holds your Power of Attorney; or
- email address.

We're moving to epost



You now have the opportunity to receive *Your Pension and Benefits*

Liaison newsletter, the Statements of Remuneration for your pension, your Direct Deposit statements, and the *Notice to Pensioners* online through Canada Post's secure epost services. Epost is a free online service that protects your information with privacy and security measures and allows you to store these documents for up to seven years.

If you register for epost, your *Liaison* newsletter and the above noted documents will only be delivered electronically to your epost account. To subscribe to epost, you must have a Canadian or United States of America mailing address and have your most recent direct deposit statement on hand. Should you change your mind after you've registered for epost, you have the option to revert back to receiving your documents by mail.

Instructions on how to enrol are found at
www.pensionandbenefits.gc.ca.

Note: Some federal agencies, Crown corporations and territorial governments do not participate in the public service group benefit plans. Even if your former employer did not participate in all public service group benefit plans, you as a retired member may be eligible to join these plans. To find out if you are eligible, please call the Pension Centre.

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