

Your PENSION AND BENEFITS Liaison

ISSUE 1 – SUMMER 2007



Your pension and benefits newsletter

Welcome to Liaison, a newsletter about pension and benefits for retired members of the public service under the *Public Service Superannuation Act (PSSA)*. Liaison has been designed to offer you timely information about your pension and benefits plans.

The articles chosen are based on frequently asked questions and recurring inquiries received from pensioners. We hope you find this newsletter both informative and helpful.

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of Canada

Gouvernement
du Canada

Canada

Did you know? On April 1, 2006, a number of important changes were made to the Public Service Health Care Plan (PSHCP). These changes include:

- the introduction of catastrophic drug coverage for Plan members, including pensioners, who have high prescription drug costs during a calendar year;
- improvements of some benefits already provided under the Plan, such as vision care;
- changes to ensure a more effective coordination of benefits for members and their spouses when both are members of the PSHCP; and
- new contribution rates for pensioners.

These changes followed a two-year collaborative effort between the Treasury Board Secretariat (TBS), the Bargaining Agents of the National Joint Council and the Federal Superannuates National Association. The parties agreed to a new governance framework for the Plan to help ensure that it continues to be well managed in the future. These governance changes provide for:

- the introduction of a shared governance corporation, the PSHCP Administration Authority, to replace the current PSHCP Trust; and
- the PSHCP Partners Committee, a collaborative forum where the bargaining agents, TBS officials and pensioner representatives can work together through a joint problem-solving process to reach consensus on plan changes.

These governance changes will not have an impact on services provided to Plan members. All claims will still be submitted to Sun Life, and the appeals process presently operated by the PSHCP Trust will continue under the new Administration Authority.

If you have any questions about the benefits provided for you and your dependants under the PSHCP, please consult the following web site: www.pensionandbenefits.gc.ca, or contact Sun Life at 1-800-361-6212, or the PSHCP Administration Authority: www.pshcptrust.ca or you may write to the Administration Authority at:

Federal Public Service Health Care Plan Administration Authority
P.O. Box 1328, Station B
Ottawa ON K1P 5R4

Power of Attorney – What you should know

If you grant someone a general Power of Attorney, you are giving that person the power to make decisions about your financial affairs which, depending on the terms of the document, may continue in effect after you are no longer able to do so for yourself. Please note that in cases of death, the Power of Attorney is revoked.

The law governing Powers of Attorney is complex and varies from province to province in Canada; legal advice should be sought regarding these documents.

If you have granted someone a Power of Attorney, please submit the original or a notarized copy to the Superannuation, Pension Transition and Client Services Sector (Superannuation Sector) so we can keep your records up to date.

As an alternative, if you would like someone to be able to make inquiries and receive information about your superannuation account, but not make decisions on your behalf, please inform the Superannuation Sector in writing (see address on page 4).

Answers on the Internet!

We've designed a new public service pension and benefits Web portal to help you find the information you need quickly and easily. The Web portal acts as a "doorway" to authoritative pension and benefits information found on the Internet.

This site provides you with answers to questions you may have during different phases in your retirement, such as if you choose to live outside of Canada, get married, or become reemployed. Whether you want to know your pension and benefit options after retirement, how to change your beneficiary, or access an insurance benefit claim form, you can navigate quickly and easily to the information you need.

www.pensionandbenefits.gc.ca

— pension and benefits
information made simple.



Your beneficiary under the Supplementary Death Benefit Plan

Did you know that the beneficiary of your Supplementary Death Benefit doesn't change automatically when your personal circumstances do – for example, if you remarry?

To change your beneficiary, you must complete a new designation form and submit it to the Superannuation Sector.

You can name only one beneficiary at a time. Your beneficiary must be any one of the following:

- any person 18 years of age or over at the time of designation;
- your estate;
- any registered charitable or benevolent organization or institution; or
- any educational or religious organization or institution that is supported by donations.

You can find and print the “Naming or Substitution of a Beneficiary” form at the Pension and Benefits Web site:

www.pensionandbenefits.gc.ca

You should also be aware that your beneficiary may also be eligible to receive a minimum benefit under the public service pension plan. You can find more information on the minimum benefit at: www.pwgsc.gc.ca/superannuation/ann01_s13-e.html

Canada Pension Plan (CPP)/Quebec Pension Plan (QPP) benefits

How does receiving CPP or QPP benefits affect my

Public Service pension? Your public service pension will be reduced starting at age 65, whether or not you have applied for benefits under the CPP or QPP. Even if you begin to receive *early retirement benefits* under the CPP or QPP as early as age 60, your public service pension will only be reduced at age 65.

However, it is important to know that if you become entitled to *disability benefits* under the CPP or QPP, before reaching age 65, your public service pension will be reduced immediately. To prevent an overpayment of your pension benefits, which would then have to be repaid, please inform the Superannuation Sector immediately if you become entitled to a disability benefit.

Direct deposit – simple and convenient!

Did you know that most pensioners now receive their monthly pension benefits by direct deposit? Thousands of people enjoy the convenience of direct deposit and thus avoid having to stand in line at the bank to deposit their monthly pension cheque. What's more, they have peace of mind knowing that when they travel or move south for the winter months they don't have to worry about forwarding their cheques.

How can you sign up? Send your written request including your superannuation number, to the Superannuation Sector, along with a voided cheque. Your monthly pension benefits will be deposited automatically in your bank account; it's that simple and convenient.

Planning a trip?

Here is one less thing to worry about when you travel. Did you know that since April 1, 2006, if you are enrolled in the Public Service Health Care Plan (PSHCP), you have coverage up to \$500,000 Canadian for eligible health care services per period of travel (not exceeding 40 consecutive days)?

In 1966, contributions and benefits under the public service pension plan were coordinated with those under the CPP and QPP. This means that, as an employee, you paid a reduced rate of contributions to the public service pension plan on the portion of salary up to the yearly maximum earnings to which the CPP or QPP applied. This is why your public service pension benefit is reduced when you reach age 65, or as soon as you become entitled to disability benefits under these plans.

SUPERANNUATION, PENSION TRANSITION AND CLIENT SERVICES SECTOR CONTACT INFORMATION

By Telephone

**In Canada and the
Continental USA (Toll-Free)**

1-800-561-7930 (English)

1-800-561-7935 (French)

Outside Canada:

1-506-533-5800

(collect calls accepted)

**Telecommunication
device for the deaf:**

1-506-533-5990

FAX Number:

1-506-533-5989

Telephone Service Hours

**In Canada and
the Continental USA**

Monday to Thursday

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

8:30 a.m. to 4:30 p.m.
(Newfoundland time)

Friday

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

Outside Canada

Monday to Friday

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

Mailing Address

Public Works & Government
Services Canada
Superannuation, Pension Transition
and Client Services Sector
P.O. Box 5010
Shediac NB E4P 9B4

Internet

www.pensionandbenefits.gc.ca

We're changing to serve you better

We are pleased to announce that, on June 13, 2007, we received approval for two initiatives that will modernize our 40-year-old pension systems and allow us to enhance services to you and your beneficiaries.

Over the next four and a half years, we will:

- replace our outdated systems;
- introduce faster, more efficient services that will increase the responsiveness and reliability of our client services; and
- provide you and your beneficiaries with more ways to access pension experts and information, including more self-service options and automated initiation of service requests.

We look forward to implementing these improvements and to serving you better. More detailed information will be provided to you over time, as the new services become available.

Keep us informed

Having access to your current contact information will help us serve you quickly and efficiently. Please advise the Superannuation Sector of the following:

- change of address (even if your pension goes directly into your bank account);
- change of banking information;
- change in your personal status such as a marriage, a separation, a divorce, the beginning or end of a common-law relationship, and the birth or death of one of your children;
- change of address of your designated beneficiary; or
- name and address of a contact person in the event of incapacity.

In the event of your death, it is important that your survivors or estate inform the Superannuation Sector immediately.

DISCLAIMER Liaison, your pension and benefits newsletter, is provided for information purposes only and is not a legal document on your rights and obligations. Should there be any discrepancy between the information in this document and that contained in the *Public Service Superannuation Act* (PSSA) and related regulations or other applicable laws, the legislative provisions will apply. Similarly, should there be any discrepancy between information in this document and that contained in the group benefit plans provisions or insurance contracts, the plan provisions or insurance contracts will apply.