

# Your PENSION AND BENEFITS *Liaison*

Information source for retired federal public service plan members



## ISSUE 5 - 2011

### The Survey Results Are In!



In 2009 the Government of Canada conducted its first-ever survey of both active and retired public service pension and benefit plan

members. The survey assessed the members' perceptions and knowledge of the public service pension plan and group insurance benefit plans. Among other things plan members were asked about what pension and benefit information they found important and how they preferred to receive it.

We learned that 74% of the 1,595 retired member respondents consider the public service pension plan better than those offered by other employers and 73% attributed at least moderate importance to the group insurance benefit plans in their decision to have continued working for the federal government.

The survey results are clear: retired members are quite knowledgeable about many aspects of the public service pension plan. For example, 88% of respondents were aware that their pensions are coordinated with the Canada

Pension Plan (CPP) or the Quebec Pension Plan (QPP).

Retired members also indicated that while they prefer to receive information through printed material, such as this newsletter, they appreciated the availability of on-line pension and benefit information through sites like the *Public Service Pension and Benefits* Web portal at

[www.pensionandbenefits.gc.ca](http://www.pensionandbenefits.gc.ca). The majority said they liked to receive information both electronically and in print.

Most respondents also indicated that it would be useful if more information about specific topics were sent to them periodically. This edition of *Liaison* is focused on such topics. In the future, we will continue to monitor our communication approaches to better meet your needs. Thank you to those who participated in our first survey!

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## Public Service Pension Centre - Contact information

Please have your pension number ready when calling and ensure you always include it on your correspondence.

### 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  
Public Service Pension Centre – Mail Facility  
PO Box 8000  
Matane QC G4W 4T6

### On-line

Your Public Service Pension and Benefits Web Portal  
[www.pensionandbenefits.gc.ca](http://www.pensionandbenefits.gc.ca)

## What your survivors should do in the event of your death



Dealing with the death of a loved one can be difficult. You can help ease this

difficulty by informing your survivors about possible public service pension and group insurance benefits they may be entitled to.

Following your death, your survivors should:

- ▶ Notify the Public Service Pension Centre (Pension Centre) immediately.
- ▶ Send the death certificate to the Pension Centre. Your pension number should be clearly indicated on every document your survivors send to the Pension Centre.

- ▶ Notify or consult other federal, provincial or territorial organizations such as:
  - Service Canada, responsible for the Canada Pension Plan (CPP) and Old Age Security (OAS) benefits;
  - Régie des rentes du Québec, responsible for the Quebec Pension Plan (QPP) benefits; and
  - Canada Revenue Agency (CRA).

To help determine who may be entitled to receive benefits that are payable after your death, we strongly encourage you to provide the Pension Centre with a statement or documentation **indicating what your marital or common-law relationship status was before you retired**. Contact the Pension Centre or visit [www.pensionandbenefits.gc.ca](http://www.pensionandbenefits.gc.ca) to obtain the necessary Statutory Declaration form (PWGSC-TPSGC 2016).

## Keep your Public Service Health Care Plan positive enrolment information up to date

Life events, such as divorce, marriage/ common-law relationship, death of a spouse or adoption/birth of a child will require you to update the Public Service Health Care Plan (PSHCP) positive enrolment information you provided to Sun Life. Changes can be made by visiting [www.sunlife.ca/enrolment\\_pshcp](http://www.sunlife.ca/enrolment_pshcp). Alternatively, if you completed your positive enrolment on paper, changes can be made by completing the Positive Enrolment Change Form that was sent with your confirmation letter from Sun Life.



### Sun Life PSHCP call centre

For additional information, please contact the Sun Life PSHCP call centre. The call centre is open Monday to Friday, 6:30 a.m. to 8:00 p.m. EST. Telephone:

- ▶ 613-247-5100 in the National Capital Region
- ▶ 1-888-757-7427 toll-free from anywhere in North America



## Change in Terminology

Benefits under the public service pension plan are coordinated with those under the Canada or Quebec Pension Plan (CPP or QPP). This coordination impacts the amount you contributed to the plan and your pension under the public service pension plan. The effect this coordination has on your public service pension was previously described as a reduction at age 65.

Like other pension plans, we are now using the terms **lifetime pension** and **bridge benefit** to better explain this coordination. This change in terminology does not affect your public service pension.

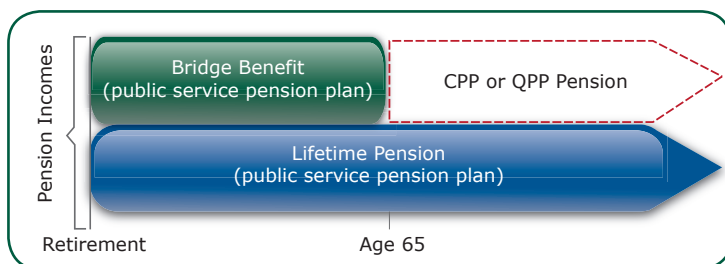
Your public service pension consists of the following:

1. **A lifetime pension** - the permanent portion of your pension payable from the date your pension begins until your death; and
2. **A bridge benefit** - a temporary amount payable from the date your pension begins until age 65.

The purpose of the bridge benefit is to provide you with a relatively consistent level of pension income over the course of your retirement once your CPP or QPP benefits are factored in; however, these amounts will likely not be identical.

**Note:** Your bridge benefit ends immediately if you start receiving CPP or QPP disability benefits before **age 65**.

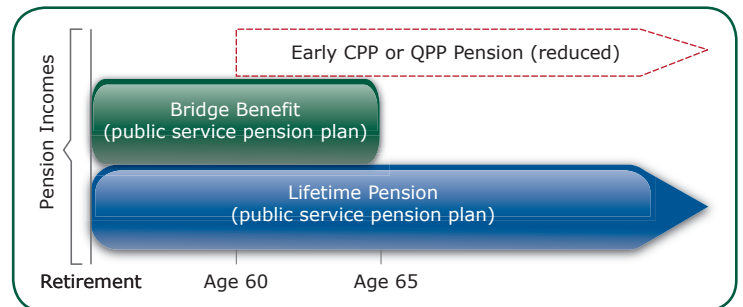
**If you retire before age 65 and apply for CPP or QPP benefits at age 65 (age when CPP or QPP normally begins):**



► You will receive both your lifetime pension and bridge benefit from the public service pension plan from the date your pension begins until age 65.

► At age 65, you will continue to receive your lifetime pension. The bridge benefit ends on the first of the month following your 65th birthday and your CPP or QPP pension begins.

**If you retire before age 65 and apply for early CPP or QPP benefits (between 60-64 years of age):**



► You will receive both your lifetime pension and bridge benefit from the date your pension begins until age 65, even if you are in receipt of an early CPP or QPP pension. This early CPP or QPP pension is reduced because you are receiving it before age 65.

► At age 65, you will continue to receive your lifetime pension and the reduced CPP or QPP pension. The bridge benefit ends on the first of the month following your 65th birthday.

While you can choose to receive your CPP or QPP benefit before age 65, this is a reduced benefit and it continues to be paid at the reduced rate after age 65. As a result, you will notice a decrease in your total pension income at age 65 because you are in receipt of an early CPP or QPP benefit.

**How is indexing affected when the bridge benefit ends?**

Since indexing is calculated as a percentage of the total amount of pension you receive from the public service pension plan, your indexing amount will be lower when the bridge benefit ends. For example, if you are receiving a total pension of \$1,500.00 (\$1,000.00 lifetime pension plus \$500.00 bridge benefit) your indexing is based on \$1,500.00. Once the bridge benefit ends, your indexing would be based on \$1,000.00 only. The amount you receive from CPP or QPP is indexed separately from your public service pension plan payment.



## Understanding What Happens to Pension Contributions

The public service pension plan is a defined benefit pension plan, meaning benefits are based on salary and pensionable service as defined under the *Public Service Superannuation Act* (PSSA). The public service pension plan benefits are financed from contributions made jointly by plan members and the employer (the Government of Canada).

Prior to April 1, 2000, employer and plan member contributions were credited in an account forming part of the Public Accounts of Canada. These contributions were not invested in the financial market.

On April 1, 2000, the Government of Canada created a new pension fund called the Public Service Pension Fund. This fund was created

to allow employer and employee net pension contributions to be invested in the financial markets. Experience shows that investing pension contributions in diverse financial markets would normally generate higher investment returns over the long term. By legislation, Parliament established the Public Sector Pension Investment Board, with the mandate to manage the fund in the best interests of the plan.

The Government of Canada continues to have a statutory obligation to pay pension benefits independent of the financial performance of the pension fund. Fluctuations in the markets do not have an impact on your public service pension plan payments.

## Are you planning to travel?



The Public Service Health Care Plan (PSHCP) includes an emergency travel benefit. This applies to every emergency and covers you and your eligible dependants for up to \$500,000 (CDN) each in eligible medical expenses within 40 days from the day of departure from your province or territory of residence.

If you are in an emergency while on vacation, call the 24-hour help line immediately. Remember to always travel with your new PSHCP benefit card.

### IMPORTANT NOTICE:

The Government of Cuba has implemented new regulations. All travelers must provide proof of medical coverage to enter the country. If not, they will have to purchase local medical coverage. This requirement can be satisfied by presenting:

- ▶ each traveler's Provincial health insurance card; and
- ▶ your PSHCP benefit card or a letter from Sun Life confirming coverage for your dependants, if applicable.

Sun Life can be contacted at 613-247-5100 or toll free at 1-888-757-7427.

For more information on these new regulations, please visit *Your Public Service Pension and Benefits* Web portal.

**Please note** that some federal agencies, Crown corporations and territorial governments do not participate in the public service group insurance benefit plans. However, former employees of those agencies or corporations may be eligible to participate in these plans as retired members.

**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 insurance benefits plan provisions or insurance contracts, the plan provisions or insurance contracts will apply.