

MUNICIPAL PENSION PLAN

*A Guide  
for Plan  
Members*



Municipal  
Pension Plan

This publication provides general information about the pension plan and is based on the relevant plan documents (statutes, regulations and rules). If there is a discrepancy between this publication and the plan documents, the plan documents will apply.

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# Welcome!

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Welcome to the British Columbia Municipal Pension Plan. This guide will introduce you to the plan and the benefits it offers.

Even if you've just started working and retirement seems a long way off, there are some things you should know about your pension plan now. This guide provides you with a general overview of the plan's main features and explains how your pension will be calculated, as well as the effect on your pension should you:

- take a leave of absence or time off to raise a child,
- move from one job to another,
- pay back a refund of contributions,
- leave work entirely,
- become disabled or die before you retire, or
- decide to retire.

For detailed fact sheets (Pensionfacts) online, and a glossary of pension terms, visit our website at [pensionsbc.ca](http://pensionsbc.ca).

The information in this guide is current as of January, 2004. All of this information is subject to change at any time. Therefore, please see our website at [pensionsbc.ca](http://pensionsbc.ca).

# *Introducing the Municipal Pension Plan*

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The Municipal Pension Plan has provided retirement income to hundreds of thousands of British Columbians since its inception. Over the years, the plan has remained financially sound while modernizing and evolving to provide better benefits to active and retiring members.

One major change in the plan occurred on April 5, 2001, when the plan changed to a joint-trusteeship governance model. This means that the plan is controlled by the Municipal Pension Board of Trustees (the board), which is responsible for administering the pension plan and managing the pension fund. The board consists of 16 trustees and 16 alternates—half of whom are appointed by plan member organizations and half by the provincial government and employer organizations.

The board's duties include establishing investment policy, recommending changes in benefits and funding policy, and directing the application of the pension plan rules. The board appoints an independent actuary to assess the plan's financial health every three years through an actuarial evaluation.

# *Introducing the Pension Corporation and bcIMC*

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The Pension Corporation serves as the plan administrative agent to provide all services to members. The Pension Corporation administers six public sector pension plans including the Municipal Pension Plan.

The British Columbia Investment Management Corporation (bcIMC) is responsible for the investment and management of the pension fund.

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# MUNICIPAL PENSION PLAN

## *Pension Basics*

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### Membership

You are an **active member** while you are:

- working and contributing to the Municipal Pension Plan, or
- on a leave of absence or collecting long-term disability plan benefits.

You are an **inactive member** while:

- your contributions remain on deposit with the plan, following termination of employment.

Once you retire and begin to collect your pension, you become a **retired member**.

### What is the Municipal Pension Plan?

The Municipal Pension Plan is a defined benefit plan, where your pension is based on your age, your years of pensionable service and the average of your highest five years of salary (not necessarily your last five years). It is not based on your contributions to the plan or on the investment performance of the plan's assets. The advantage of this kind of pension plan is that your pension is paid for your lifetime, and may continue for the lifetime of your spouse or eligible dependant (depending on the option you choose at retirement).

### Am I automatically enrolled in the plan?

Enrolment is mandatory for full-time, permanent staff after their probationary period (unless waived to an earlier date by the employer), and for full-time staff employed on a continuous basis for one year.

Part-time employees have the option to enrol if they complete two years of continuous employment and in each of two consecutive calendar years earn at least 35% of the YMPE, including overtime and other payments, exactly as for the calculation of contributions to the Canada Pension Plan (see sidebar).

Part-time employees can also be enrolled upon resolution of an employer in accordance with the terms of a negotiated collective agreement.

Once enrolled, you must continue to contribute to the Municipal Pension Plan until termination of employment with that employer. If you move to another employer in the Municipal Pension Plan with a break in service of less than 30 days, you must immediately begin contributing for the new employment as well.

Any employee who has the option to enrol in the Municipal Pension Plan but chooses not to enrol must sign a waiver, which is filed with the employer.

### YMPE

The Year's Maximum Pensionable Earnings (YMPE) is the maximum salary, including overtime, upon which Canada Pension Plan contributions are made, as set by the federal government. We post the current YMPE on our website each year.

YEAR	AMOUNT	35% OF YMPE
1999	\$37,400	\$13,090
2000	\$37,600	\$13,160
2001	\$38,300	\$13,405
2002	\$39,100	\$13,685
2003	\$39,900	\$13,965
2004	\$40,500	\$14,175

## What are my contributions to the plan? How are they deducted?

As a member of the Municipal Pension Plan, you contribute both to this plan and to the Canada Pension Plan (CPP) through automatic deductions from your salary. How much these contributions are depends on the YMPE (see sidebar, page 1).

Employee contribution rates are currently set at:

- 6.99% of your salary up to and including the YMPE
- 8.49% of your salary above the YMPE

Your employer also contributes to the Municipal Pension Plan on your behalf. Employers contribute at a rate based on the number of employees, their salaries, ages and occupations. The rate is updated annually.

Included in the employee and employer contribution is 1% of your pensionable earnings, which is used to help fund additional benefit payments for pensioners to offset the effects of inflation. Please see your employer for a description of what types of pay are considered to be pensionable earnings, or visit our website at [pensionsbc.ca](http://pensionsbc.ca).

If you accrue 35 years of pensionable service, your contributions to the plan cease. You continue to be an active member until you terminate employment.

### For police officers and firefighters...

Earliest retirement age for most Municipal employees is 55. However, for police officers and firefighters the earliest retirement age is 50. Thus, earliest retirement age is expressed throughout this book as 55 (50).

## What are the age rules for different employee groups?

Certain public safety occupations have different rules based on age. The Canada Revenue Agency defines which groups of employees fall within “public safety occupations.” Age rules for these occupations are indicated in this guide in parentheses.



## PLANNING FOR YOUR FUTURE

# Pension Overview

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### Single Life Pension, No Guarantee...

...is a pension payable for as long as you live. It gives you the highest possible monthly pension payments, but your beneficiary will receive nothing. Payments stop at the end of the month in which you die.

### Example: Retirement

You have 25 years of pensionable service, are age 60 or older, earned an average of \$50,000 in your five highest salary years and the previous year's YMPE is \$38,300. Your basic municipal annual pension to age 65 will be \$25,000 per year.

Pension Benefit Formula

$$2\% \times \$50,000 \times 25 = \$25,000$$

Reduced at age 65 or date of death, if earlier, by:

$$0.70\% \times \$38,300 \times 25 = \$6,703$$

Single Life, No Guarantee \$18,297  
(or \$1,525 monthly)

### How does the plan work?

If you become “vested,” the plan will give you a lifetime pension, starting when you retire. After your death, depending on what kind of pension option you chose at retirement, the plan may continue to pay pension benefits to your spouse (if you have one) for his or her lifetime, or to another beneficiary for a set period, or it may pay a lump sum payment to your estate.

You are “vested” in the Municipal Pension Plan (which means you are entitled to a pension commencing at earliest retirement age 55 [50] or later) after you have accumulated two years of contributory service with some or all of that service after December 1997. You are also vested if you accumulate any contributory service after age 60 (55).

Your pension—based on the average of your highest five salary years—increases at a rate of 2% for each year of pensionable service, to a maximum of 35 years. The basic pension formula is:

**Prior to age 65**

$$2\% \times \text{Five-year Highest Average Salary (HAS)} \times \text{Total Pensionable Service}$$

**At and after age 65**

2% X Five-year Highest Average Salary (HAS) X Total Pensionable Service  
*minus* the Bridge Benefit, which is calculated at:

$$0.7\% \times (\text{lesser of previous year's YMPE or HAS}) \times \text{Pensionable Service after Jan. 1, 1966}$$

The basic pension formula is based on the single life pension, with no guarantee (see sidebar).

### What is service?

Pensionable service is your actual working time—the number of years (full-time equivalent) you spend working as a member of the Municipal Pension Plan. It is used to calculate exactly how much your monthly pension benefits will be.

**Example 1** (Unreduced)

You are 60 (55) years old and have two or more years of contributory service. You can retire with an unreduced pension.

**Example 2** (Unreduced)

You are 57 (52) years old and have 33 (28) years of contributory service. You have hit the 90 (80) factor and can retire with an unreduced pension.

You earn one month of pensionable service when you are present and working full-time every workday during that month. If you work half of the month, you will receive half a month of pensionable service.

**Contributory service** is the number of years you (and/or your employer) made contributions to the Municipal Pension Plan. It is used to determine if you are eligible for a pension, and whether your pension will be reduced (and by how much) should you decide to retire before age 60 (55) or 65 (60).

You earn one month of contributory service when you earn any pay that month, and you and/or your employer make the required contribution for that time. You are vested (eligible for a pension) after two years of contributory service.

See pages 10 and 11 for details on other ways to accrue service.

## What are reduced and unreduced pensions?

Under the Municipal Pension Plan, you may apply for a pension as early as age 55 (50). However, if you retire before age 60 (55) and you do not meet minimum age plus contributory service requirements, your pension will be reduced.

It works like this:

- You will receive an unreduced pension if, at the date of your retirement, you are:
  - age 55 (50) to 59 (54) and your age plus contributory service equals 90 (80)
  - age 60 (55) or older, with two or more years of contributory service
  - age 65 (60) or older, with fewer than two years of contributory service, providing you are a contributor to age 65 (60) or older.
- You will receive a reduced pension if, at the date of your retirement, you are:
  - age 55 (50) to 59 (54) with two years or more of contributory service, but your age plus contributory service total less than 90 (80)
  - age 60 (55) to 64 (59) with fewer than two years of contributory service, provided you are a contributor to age 60 (55) or older.

**Example 1** (Reduced)

You are 56 (51) years old and have 32 (27) years of contributory service. You have not hit the 90 (80) factor, and you can retire with a reduced pension. The reduction will be 6% (3% for each year under the rule of 90 [80]).

**Example 2** (Reduced)

You are 55 (50) years old and have 20 years of contributory service. You can retire with a 15% reduction in the pension benefit formula (3% for each year under age 60 [55]).

This reduction continues unchanged after age 65.

### Example: Retirement December 31, 2000, at age 57

You are 57 years old and are retiring when you terminate employment. You have 25 years of pensionable service, and the average of your five highest salary years is \$39,000. You have a total of 25 years of contributory service.

Your pension will be reduced by 9% (3% for each year you are under age 60).

Your basic annual pension to age 65 would be:

$$2\% \times \$39,000 \times 25 = \$19,500$$

$$\begin{aligned} \$19,500 \times 91\% &= \$17,745 \\ \text{(reduced by 9\%)} \end{aligned}$$

Reduced at age 65 (or date of death, if earlier) by the bridge benefit of:

$$\begin{aligned} .7\% \times \$38,300 \times \\ 25 \times 91\% &= \$6,099 \\ \text{(reduced by 9\%)} \end{aligned}$$

$$\begin{aligned} \text{Single life pension,} \\ \text{no guarantee} &= \$11,646 \end{aligned}$$

$$\begin{aligned} \text{Single life pension,} \\ \text{guaranteed 10 years} &= \$11,355 \end{aligned}$$

$$\begin{aligned} \text{Single life pension,} \\ \text{guaranteed 15 years} &= \$11,005 \end{aligned}$$

$$\begin{aligned} \text{Joint-life pension,} \\ \text{(if member and spouse} \\ \text{are the same age)} &= \$9,922 \end{aligned}$$

plus the bridge benefit of \$6,099.

## What is the reduction?

If you decide to retire early and you do not have enough years of contributory service to reach the 90 (80) factor, a reduction factor will be used to calculate a reduced pension for you. The bridge benefit is also proportionately reduced.

Your pension will be reduced by 3% per year for every year that your age is less than the age at which you would be eligible for an unreduced pension with the same service, to a maximum reduction factor of 15%, if you terminate employment:

- on or after July 15, 1999, with at least 10 years of contributory service, at age 50 (45) or older, but before age 55 (50), or
- at age 55 (50) or older but before age 60 (55), with at least two years of contributory service, or
- at age 60 (55) or older but before age 65 (60), with fewer than two years contributory service.

Otherwise, the reduction is 5% to a maximum of 25%.

Reductions are pro-rated by month for partial years.

## The basic pension formula gives me an annual pension amount. How will you calculate my monthly pension payment?

The basic pension formula is really only the beginning. Several other factors also have to be taken into account in calculating your final monthly pension payment, including:

### 1. The pension plan option you choose

The Municipal Pension Plan offers a number of different pension plan options, all of which provide you with a series of equal amounts over a specific period. Most include a provision that allows you to have your monthly pension payments continue to a spouse or beneficiary after your death for a set period from your date of retirement.

## For the Municipal Pension Plan...

**spouse** means:

- the person you are legally married to and, for the two-year period immediately before the relevant time (e.g., retirement or death), were not living separate from; or, if this does not apply,
- the person, of the same or opposite sex, who has lived with you in a marriage-like relationship for the two-year period immediately before the relevant time.

## Inflation Adjustment Account (IAA)

A separate account made up of a percentage of employee and employer contributions, plus interest. The funds are used to pay for cost of living increases, provided there are sufficient funds in the account.

Under BC law, your pension is considered a family asset. If you have a spouse, you are required to select a pension plan option that ensures a *minimum of 60%* of your monthly pension will go to your spouse on your death (unless your spouse gives up that right by signing a *Spouse's Waiver of Entitlements*).

### 2. The bridge benefit, if you are under 65 when you retire

Like most pension plans in this country, the Municipal Pension Plan is integrated with the Canada Pension Plan. This means that while you are working, you are making contributions to both the Municipal Pension Plan and the Canada Pension Plan.

#### ***Your pension before age 65***

If you retire before age 65, your pension from the Municipal Pension Plan will include a temporary monthly payment, the bridge benefit. The bridge benefit is designed to “bridge” the gap between your early retirement income and your income after age 65. This bridge benefit is included in the basic 2% pension formula, as shown on page 3.

The bridge benefit is calculated this way:

$0.7\% \times (\text{lesser of previous year's YMPE or HAS}) \times \text{Pensionable Service after Jan. 1, 1966.}$

This is the amount that is taken off the basic pension at the earlier of death or age 65. This amount will be reduced if your basic pension is reduced, using the same reduction factor. Your beneficiary will not receive the bridge benefit after your death.

#### ***Your pension at age 60***

You may apply for a reduced CPP benefit as early as age 60.

This will not affect your Municipal pension. You will continue to receive your Municipal pension, with the bridge benefit, at the same time as you receive your reduced CPP benefit, until you turn 65 or die, whichever is earlier.

#### ***Your retirement income at age 65***

Once you turn 65, if you have been receiving a reduced CPP benefit, that reduced pension will continue exactly as it has been.

You will no longer receive the bridge benefit from the Municipal Pension Plan. As a result, your Municipal pension will drop by the amount of the bridge benefit. The remaining lifetime portion of your pension will remain constant, subject to annual cost of living increases if money is available in the inflation adjustment account (see sidebar).

## Health Benefit Coverage

Health benefit coverage is a contingent benefit; that is, the benefits are not guaranteed. Coverage may be changed at any time by the Municipal Pension Board of Trustees, including, but not necessarily limited to, increasing, decreasing or eliminating:

- a) coverage for people and benefits, or
- b) amounts for premiums and deductibles.

If you have not been receiving a reduced CPP benefit, you may apply at age 65 to receive an unreduced CPP benefit in addition to your Municipal pension, with no bridge benefit.

Also at age 65, you may apply to receive the federal Old Age Security benefit payments.

The lifetime pension you chose at retirement plus the bridge benefit are indexed annually up to the cost of living provided there are sufficient funds in the inflation adjustment account of the pension fund.

### 3. Whether you are required to pay all or part of your health care coverage

When you retire, your current employer health care plan will no longer cover you or your spouse and dependent children.

As a retired member of the Municipal Pension Plan, you may apply for health benefit coverage under the BC Medical Services Plan, the extended health benefits plan and the dental plan.

Be sure to check the cancellation date of your existing coverage to avoid any lapse in coverage between your retirement date and the effective date of coverage under the pension plan.

All these benefits are dependent on there being sufficient employer contributions to meet the costs. Therefore, the group benefits available to retired members are not guaranteed features of the Municipal Pension Plan. Visit our website at [pensionsbc.ca](http://pensionsbc.ca) for details on current levels of coverage.

### 4. If you are required by a separation agreement or court order to divide your pension with a former spouse

Upon receipt of the necessary documents the Municipal Pension Plan will divide your pension benefit based on your separation agreement or court order. If it is not divided until retirement, or after you retire, the plan will pay your spouse's portion directly to him or her, with income tax deducted. For more information, see *Dividing the Pension When a Spousal Relationship Ends*, available on our website at [pensionsbc.ca](http://pensionsbc.ca).

## Limited member

Upon separation or divorce, your spouse or ex-spouse (including a common law spouse, if they have a separation agreement) may be designated as a "limited member." The limited member is entitled to a share of your plan benefit (paid directly by the plan) but is not entitled to group benefits, such as medical plan coverage.

#### 5. If you are eligible to transfer service from another plan

Effective October 1, 1999, the *Interplan Pension Transfer Agreement* replaced the BC Family of Plans portability arrangement. Plans that are included in this transfer agreement are:

- ICBC Pension Plan for Management and Confidential Employees
- Municipal Pension Plan
- Public Service Pension Plan
- Teachers' Pension Plan
- Workers' Compensation Board Superannuation Plan

The terms of this agreement may change in the future.

If you have had membership in one or more of the above plans, please read the Pensionfacts *Transferring Service*, available on our website at [pensionsbc.ca](http://pensionsbc.ca), for a description of your options.

The Municipal Pension Plan has transfer agreements with a number of other pension plans both in BC and elsewhere across the country, including the federal public service pension plan. There are no transfer agreements with plans outside Canada.

To find out if you are able to carry pension rights from another plan, please write to the Municipal Pension Plan. The plan will advise you if you are entitled to those rights.

# WHILE YOU ARE WORKING

## *Pension Details*

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### **What information can I expect to receive about my pension?**

The Municipal Pension Plan will send you a personalized *Member's Benefit Statement* once a year while you are contributing to the plan.

This annual statement will list your:

- earliest retirement date,
- earliest retirement date with an unreduced pension,
- years of contributory service,
- years of pensionable service,
- contributions over the past year, and
- total contributions to date.

Your statement will also show pension estimates into the future.

### **Are my pension contributions subject to income tax?**

As with RRSPs, when you pay into the Municipal Pension Plan, the income tax on the amount you pay is deferred. However, the Canada Revenue Agency will require that you pay the income tax later when you actually receive your pension benefits. The tax rate will be based on your retirement income, rather than your past working income.

### **Can I contribute to RRSPs at the same time I am contributing to the Municipal Pension Plan?**

You may be able to contribute to RRSPs while you are contributing to the Municipal Pension Plan. However, since you are already contributing to a pension plan, which is also a tax-deferred retirement benefit, your RRSP contribution limit will be affected.

Every year, the Municipal Pension Plan will send you a *Pension Adjustment* (PA) statement—containing details provided by your employer about your salary and service in the previous year—through your payroll office sometime before the last day in February. You must include the statement with your yearly income tax return. You will be advised by the Canada Revenue Agency on your *Notice of Assessment* how much RRSP contribution room you will have for the current year.



## Leave of absence and long-term disability

If your employer's LTD plan is approved by the Pension Corporation, you continue to accrue service while on LTD.

If your employer's LTD plan is **not** approved by the Pension Corporation, you do not accrue service. However, up to five years can be considered a leave of absence and you can purchase that time within five years of returning to work, or before terminating employment, whichever comes first.

Contact your employer to determine if their LTD plan is approved by the Pension Corporation.

## What happens if I go on a leave of absence?

This depends on a number of factors, including whether the leave is paid, partially paid or unpaid. For more information, read the Pensionfacts *Purchasing Leaves of Absence*, available on our website at [pensionsbc.ca](http://pensionsbc.ca).

For more information about family leave, refer to the Employment Standards Branch website at [www.labour.gov.bc.ca/esb/parental.htm](http://www.labour.gov.bc.ca/esb/parental.htm).

During a *paid* leave of absence, your payroll office will continue to deduct pension plan contributions for you. Your pensionable service and contributory service will continue to accumulate.

During a *less than full pay* employer-approved leave of absence, your payroll office will continue to deduct pension plan contributions for you based on the salary paid during your leave. Your pensionable service and contributory service will continue to accumulate in proportion to your pay. For example, if you are earning half your regular pay, you will accumulate half your regular pensionable service and your full contributory service.

During an *unpaid* employer-approved leave of absence, your payroll office will not deduct any pension plan contributions for you, but you are still considered to be a plan member. Again, this means that you may apply to the Municipal Pension Plan for the right to contribute for the time you were on the unpaid leave, and you won't lose any valuable pensionable time.

You can only purchase service up to the amount of your existing contract. For example, if you normally work 75% of a full-time job, and you go on a leave of absence, you may be eligible to purchase service up to the 75% level. You cannot purchase more service than you would normally have accrued had you not taken the leave of absence.

You may decide, however, that you would like to apply to the Municipal Pension Plan for the right to make the full contributions for the leave, ensuring that you are able to keep all your valuable pensionable service time. This is called "purchasing" your leave of absence.

During a *deferred salary* leave plan, your payroll office will continue to deduct pension plan contributions for you on your gross salary while you are saving for your period of absence. When you eventually are on the leave of absence, it is a leave of absence without pay.



## Important!

To purchase a leave of absence, you must have been a member of the Municipal Pension Plan when you took that leave.

If you were a member of the Municipal Pension Plan when you took time off to raise a child, you may be able to count that time as part of your contributory service. Use the **Child-rearing Declaration** form to apply.

## For the Municipal Pension Plan...

**Child-rearing time** is defined as full-time absence from your job with a plan employer to directly and actively care for your own dependent child under the age of seven.

## What about child-rearing time?

If you take time off work to raise a child, you may be able to count that time away as part of your contributory service.

Unlike a leave of absence, you do not “buy” child-rearing time. Rather, the plan will count the time you took off as regular contributory service, which could be beneficial to you if you decide to retire under age 60 (55), and if including your child-rearing time would help you reach the 90 (80) factor for an unreduced pension.

To qualify for child-rearing time, you must:

- accumulate pensionable service both before and after taking time off to raise a child,
- take an employer-approved leave of absence or terminate employment specifically to raise a child (you must not work and earn income with your own or another employer),
- not contribute to any registered pension plan during the child-rearing time, and
- pay back any refund of contributions you may have taken for service immediately before the child-rearing period. See the back of the *Child-rearing Declaration* form for details.

You may apply for any number of child-rearing periods, up to a total of five years. To apply, get a copy of the *Child-rearing Declaration* form, available on our website at [pensionsbc.ca](http://pensionsbc.ca). Attach clear copies of your child’s birth certificate or adoption papers, then send them to the plan. You must apply for child-rearing time while you are still an active plan member, *before* you retire or terminate employment.

## Canada Pension Plan

If you are disabled, you may also be eligible for a disability pension from the Canada Pension Plan.

For information about Canada Pension Plan disability pensions, call 1-800-277-9914.

## What if I become disabled while I'm still working?

### Long-term Disability (LTD)

If you become disabled, you may be entitled to receive benefits from an approved group long-term disability plan. Please consult your human resources or payroll department.

If you are eligible to receive benefits from the long-term disability plan, and the plan is approved by the Pension Corporation, you will not be required to pay contributions to the Municipal Pension Plan while you are receiving benefits from the approved long-term disability plan, but you will continue to accumulate contributory and pensionable service.

### Disability Pension

If your long-term disability plan benefits end, or you are not eligible for long-term disability, you may be eligible to apply for either a disability pension (if age 60 [55] or under) or a regular pension (if age 55 [50] or over) from the Municipal Pension Plan.

To apply for a disability pension, the plan will need a written letter from you, formally applying for a Municipal Pension Plan disability pension within two years of your last contribution or deemed contribution to the plan.

For more information contact the Municipal Pension Plan.

## To name a beneficiary...

fill out the *Nomination of Beneficiary* form if you do not have a spouse or, if you want to nominate an eligible beneficiary other than your spouse.

## What if I die before I retire?

If you die before retirement, your beneficiary—the person who will receive any benefits owing from your years of contributing to the plan—is automatically your spouse. If your spouse chooses to waive this right by signing the spousal waiver on the *Nomination of Beneficiary* form, you can nominate an alternate eligible beneficiary. This form is available on our website at [pensionsbc.ca](http://pensionsbc.ca).

Effective June 17, 2003, dependants can no longer be joint annuitants of a pension. This option is limited to spouses and former spouses. If you do not have a spouse, your beneficiary will automatically be your estate unless you choose to name someone else.

### **If you do not have a spouse...**

and you choose not to name a specific person as your beneficiary, your estate is automatically your beneficiary and your will, if you have one, will determine what happens to your benefits. If you choose to leave your estate as your beneficiary, you may want to ensure your will indicates how you would like your pension benefits distributed.

If you die while working and contributing to the Municipal Pension Plan, your employer will advise the plan of your death, and the plan will contact your beneficiary. The pre-retirement death benefits your beneficiary receives will depend on your length of service and your age.

If you die while still a plan member but are not contributing at the time (you left your Municipal job, for example, but your pension funds remain on deposit), your beneficiary must apply directly to the Municipal Pension Plan.

### **What is the pre-retirement death benefit?**

Pre-retirement death benefits are paid to your beneficiary if you die before you retire, and while your contributions are still on deposit with the Municipal Pension Plan.

For details on any benefits payable to your beneficiary, read the Pensionfacts *Pre-retirement Death Benefits*, available on our website at [pensionsbc.ca](http://pensionsbc.ca).

# IF YOU LEAVE WORK OR DECIDE TO RETIRE

## *Your Options*

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### **It may be to your advantage to leave your contributions on deposit.**

If you decide to leave your current job, but you think you will work again within the Municipal Pension Plan or for another employer with a different pension plan, you may want to leave your contributions on deposit in the Municipal Pension Plan.

By doing so, you may increase your eligibility for certain benefits or future improvements to the plan.

### **Commuted Value**

If you took a commuted value transfer for a previous period of service, that service cannot be reinstated.

### **What happens if I decide to leave my job?**

If you decide to leave your current job, your employer will complete a *Termination Notice* and send it to the Municipal Pension Plan. The plan will then send you a *Termination Selection Statement*.

You must decide on one of the options outlined in the statement, then complete and return the *Termination Selection Statement* to the Municipal Pension Plan.

For details about your options at termination see the Pensionfacts *Terminating Employment*, available on our website at [pensionsbc.ca](http://pensionsbc.ca).

### **What if I'm just moving from one Municipal Pension Plan employer to another?**

Each Municipal Pension Plan employer is considered a separate employer. That means your contributions to the Municipal Pension Plan will end as soon as you leave your current employer, even if you are simply moving to another Municipal Pension Plan employer. However, if your break in service is 30 days or less, you must start contributing again as soon as you begin with your new employer. This also applies if you start working for a second employer in the pension plan while continuing to work and contribute to the Municipal Pension Plan with your previous employer. You should inform your new employer if this is your situation.

If you accumulate more than 12 months of service with one or more than one MPP employer, your service will be capped at 12 months. Contributions for service over 12 months will be kept on file and will be used in the calculations for the relevant year.

You must leave your contributions on deposit in the plan when you move to another Municipal Pension Plan employer and you continue contributing. If there is a delay before you start contributing with your new employer, you may be able to choose whether to leave your contributions on deposit or to receive a termination benefit.

If you decide to take either a refund or a commuted value transfer of your contributions, you will be considered a new plan member when you start contributing with your new Municipal employer. If you took a refund, under certain conditions it may be possible to reinstate the refund and the service associated with it. If you take a commuted value transfer, you cannot reinstate that service at a future date.

## Is there any way I can move my service time to another pension plan entirely?

You may be able to transfer your pension credits to another pension plan—it depends on whether the Municipal Pension Plan has an agreement with that plan.

If there is an agreement with your new plan, and if you leave your contributions on deposit with the Municipal Pension Plan, you may be able to arrange for a transfer of service to your new plan. Or, if you accumulated service in another plan before you joined the Municipal Pension Plan, you may be able to add that service to your Municipal pension. (See “If you are eligible to transfer service from another plan,” on page 8).

To find out if you are able to transfer service to or from another plan, please contact the Municipal Pension Plan.

## What if I take a refund but return to work for a Municipal Pension Plan employer later?

After January 1, 1998:

- If you take a refund of your contributions that included contributions for service accumulated after January 1, 1998, then decide to return to work at another Municipal employer, you will not be able to pay back that refund.

Before January 1, 1998:

- If you take a refund of your contributions for service accumulated before January 1, 1998, then decide to return to work at a Municipal Pension Plan employer later, you may be able to pay back that refund and “reinstate” your pensionable service time.

You can apply to pay back a refund before you terminate or retire; however, you are charged interest on the refund, so it’s best to apply as soon as possible.

### Time Limits

Because there are often time limits associated with transfer agreements we recommend that you apply for transfer very soon after you start your new job.

### Important!

If you:

- worked in the past for a BC public sector pension plan employer, and took a refund of contributions when you left that job, or
- took a refund from the Municipal Pension Plan that included only contributions made prior to January 1, 1998,

you may be eligible to reinstate your refund(s) and increase your pensionable service.

Note that you can only take a refund of your contributions; contributions made by your employer on your behalf remain in the plan.

For details, read the Pensionfacts on reinstating refunds available on our website at [pensionsbc.ca](http://pensionsbc.ca).

## What should I do when I decide to retire?

When you are within one year of retirement, you should contact the Municipal Pension Plan for a pension estimate.

You must make your request in writing and include:

- your full name, mailing address, work and home telephone numbers, social insurance number and birth date,
- your spouse's name and birth date (please state if you do not have a spouse),
- the name of your employer, and
- your estimated retirement date (last day of pay).

Once your request is received, you will be sent a retirement kit containing everything you need to apply for your pension.

## Where can I go for additional information about my pension or help in planning for my retirement?

You can download Municipal Pension Plan publications from our website at [pensionsbc.ca](http://pensionsbc.ca). Your employer also has access to our publications. Or, you can phone our automated publications distribution line at 250 356-0688.

For information specific to your pension, contact your human resources or payroll department. We regularly provide retirement information to all employers. Many Municipal employers have access to our website, and you can ask your human resources or payroll department to visit the site and use the information there to put together an estimate of your pension, or find answers to many of your important questions.

The plan provides retirement seminars at the request of employers or employer/employee associations. Visit our website at [pensionsbc.ca](http://pensionsbc.ca) to find out about the next seminar in your area, or ask your employer.

### Keep us informed

Please help us keep your file up-to-date. Let the Municipal Pension Plan know if you change your name, move, marry, separate or divorce.

## **What if I disagree with the plan's decision about my pension benefit?**

You can appeal any decision made by the Municipal Pension Plan that directly relates to you and pertains to the application of plan rules. Some examples of plan rule categories are enrolment, purchase of service, termination of employment, retirement and survivor benefits. You can get a copy of the appeals brochure from the Municipal Pension Plan or from our website at [pensionsbc.ca](http://pensionsbc.ca).

Direct your appeal to the Pension Board Secretariat:

**Municipal Pension Board of Trustees**  
Pension Board Secretariat  
PO Box 9460  
Victoria BC V8W 9V8

Phone           250 387-8200

Fax               250 387-4199

E-mail           Pension.Appeals@pensionsbc.ca

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