



EMPLOYEE PENSION PLAN

DECEMBER 2016

STAFF OF THE NON-PUBLIC FUNDS

CANADIAN FORCES

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Your Pension Plan was established on 1 January 1969 by Her Majesty in Right of Canada through the Minister of National Defence, pursuant to his authority and responsibility with respect to Staff of the Non-Public Funds, Canadian Forces, to provide retirement benefits to full-time employees. Since 1969, the Pension Plan has been amended 29 times to improve benefits to the employees and to ensure compliance with changing legislation and regulations.

The Canadian Forces Non-Public Funds Employees Pension Plan is registered with and regulated by the Canada Revenue Agency and the Office of the Superintendent of Financial Institutions.

Pension Benefits Standards Act Registration No. 55228

Income Tax Act Registration No. 0277954

This booklet has been prepared to help you better understand your Pension Plan. It does not create or confer any contractual or other rights. In the event of any variation between the information in this booklet and the official Pension Plan text, the latter will prevail.

Pension & Benefits
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December 2016 – Rev 2

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Introduction

Your Canadian Forces Non-Public Funds Employees Pension Plan is designed to provide you with a source of income at retirement and is legislated by the federal Pension and Benefits Standards Act, 1985. Your total retirement income may come from different sources, including:

1. Government Pension Benefits
2. Canadian Forces Non-Public Funds Employees Pension Plan
3. Personal Savings

This booklet describes the main provisions of the Canadian Forces Non-Public Funds Employees Pension Plan (the Pension Plan) which was established on January 1, 1969. There were several pension plans in effect prior to that date which were consolidated into a revised Pension Plan for the Staff of the Non-Public Funds, Canadian Forces employees at that date. The Pension Plan has subsequently been amended to change interest rates, benefits, and to comply with changes in legislation.

We have not included any information on how to accumulate personal savings for your retirement as this is a personal choice. However, two (2) of the most popular methods are a Registered Retirement Savings Plan (RRSP) or a Tax-Free Savings Account (TFSA). Information concerning RRSPs and TFSAs can be obtained from various sources including the financial institution where you bank, your financial planner, investment brokers, mutual fund companies, newspapers, books, seminars and libraries.

Eligibility

To participate as a Member in the Pension Plan, you must be employed in either:

- an indeterminate full-time status;
- a temporary full-time or temporary part-time status and have met eligibility criteria; or,
- an indeterminate part-time status and have met eligibility criteria.

You must join the Pension Plan from your date of hire as an indeterminate full-time employee. Once you join the Pension Plan, you may not withdraw from the Pension Plan as long as you remain employed by the Staff of the Non-Public Funds, Canadian Forces.

The eligibility rules for full-time employees have changed somewhat over the years, as follows:

Hired on or after 1 January 2005	Must join the Pension Plan on the first day of full-time employment with the Staff of the Non-Public Funds, Canadian Forces.
Hired between 1 January 2004 and 31 December 2004 (inclusive)	Must have joined the Pension Plan on the first day of the month following date of hire with the Staff of the Non-Public Funds, Canadian Forces.
Hired between 1 January 2002 and 31 December 2003 (inclusive)	Could have joined the Pension Plan on the first day of the month following date of hire. Must have joined on the first day of the month following the completion of four years of full time continuous service with the Staff of the Non-Public Funds, Canadian Forces.
Hired between 1 January 1998 and 31 December 2001 (inclusive)	Could have joined the Pension Plan on the first day of the month following the completion of three (3) months of continuous service. Must have joined the Pension Plan upon completion of four (4) years of full time continuous service with the Staff of the Non-Public Funds, Canadian Forces.
Hired prior to 1 January 1998	Could have joined the Pension Plan on the first day of the month following the completion of one (1) year of continuous service. Must have joined the Pension Plan upon completion of four (4) years of full time continuous service with the Staff of the Non-Public Funds, Canadian Forces.

Employees may only opt out of joining the Pension Plan if they object to becoming Members of the Pension Plan because of their religious beliefs.

Temporary full-time employees

You must join the Pension Plan on the earlier of:

- The day you are hired in a temporary full-time position that is for a period of more than twenty-four (24) months; or,
- The day you complete twenty-four (24) months of continuous employment in your temporary full-time position.

Part-time employees

Part-time employees may voluntarily join the Pension Plan if:

- they complete twenty-four (24) months of continuous employment; and
- their earnings exceed 35% of the Canada/Quebec Pension Plan Yearly Maximum Pensionable Earnings (YMPE) in two (2) consecutive calendar years; or
- they accept an offer of temporary full-time employment (including secondments or acting assignments/appointments) that results in them meeting pension eligibility as a temporary full-time employee (see eligibility for temporary employees).

Once an Employee makes the decision to join the Pension Plan, that decision is irreversible.

You are not eligible to join the Pension Plan if you are:

- employed on a temporary full-time or temporary part-time basis and have not met eligibility criteria;
- employed on an indeterminate part-time basis and have not met eligibility criteria;
- a locally-engaged individual outside Canada;
- employed on a casual basis;
- paid only on a commission basis for the performance of your regular duties;
- employed under a student employment program; or,
- a re-employed Staff of the Non-Public Funds, Canadian Forces retiree.

Eligibility on Re-employment

If you are receiving a pension payment from the Pension Plan and have been re-employed by the Staff of the Non-Public Funds, Canadian Forces, you remain a retired Member of the Pension Plan and continue to receive your pension. You are not eligible to re-join or contribute to the Pension Plan. Please note that retired members can only be rehired after a minimum three (3) month break in service between retirement and re-employment.

If you are a former Staff of the Non-Public Funds, Canadian Forces employee who has a deferred pension with the Pension Plan and have been re-employed by the Staff of the Non-Public Funds, Canadian Forces, you can re-join the Pension Plan once you meet eligibility requirements. For details on how your future deferred pension can impact your Plan membership, please contact your local Human Resources office.

Severance pay received by an employee on termination which is transferred to an RRSP as a retiring allowance may be re-characterized by the Canada Revenue Agency (CRA) as employment income if the employee is rehired by the Staff of the Non-Public Funds, Canadian Forces. It is the employee's responsibility to seek tax advice from a tax advisor and/or CRA.

Contributions

Employee Contributions

Once you join the Pension Plan, you are required to contribute 4.5% of your pensionable earnings, up to the Canada/Quebec Pension Plan Yearly Maximum Pension Earnings (YMPE), and 6% of pensionable earnings that are in excess of the YMPE. Once you have accumulated 35 years of pensionable service, your contributions to the Pension Plan will cease.

Employer Contributions

Your Employer makes all other contributions that are required in order to provide you with your promised pension benefits. Staff of the Non-Public Funds, Canadian Forces' contributions are determined by the Pension Plan's actuary, subject to Canada Revenue Agency approval, taking into consideration the applicable legislation, the accumulating benefits, and the Pension Plan's funding status. Currently, Staff of the Non-Public Funds, Canadian Forces' contributions are approximately 200% of the Member's contributions (i.e. for every \$1 the employee contributes, the Staff of the Non-Public Funds, Canadian Forces contributes \$2). Employer funding requirements are reviewed regularly.

Pensionable Service

Pensionable service is the period of service that is recognized by the Staff of the Non-Public Funds, Canadian Forces as pensionable within the Pension Plan provisions and during which you have been a member of and paid contributions to the Pension Plan. Since your pension benefit will be based on your pensionable service and highest average earnings, the accumulation of pensionable service is a crucial component of your future pension benefits.

You can accumulate up to a maximum of thirty-five (35) years of pensionable service, which may include the following types of service:

- Periods of continuous plan membership while you are receiving earnings from the Staff of the Non-Public Funds, Canadian Forces, including service as an employer-sponsored employee outside Canada,
- Unpaid periods of absence during which you receive benefits from the Staff of the Non-Public Funds, Canadian Forces Long Term Disability plan and/or Government Employee's Compensation Act (e.g. benefits paid by WCB/WSIB/CSST), See "Disability Provision"
- Periods of Maternity, Parental/Paternity and Compassionate Leave,
- Periods of temporary lay-off from employment with right to re-call which do not break continuous employment or plan membership,
- Any other period of paid or unpaid absence approved by the Staff of the Non-Public Funds, Canadian Forces which does not break continuous employment or plan membership,
- Any period of past pensionable service with the Staff of the Non-Public Funds, Canadian Forces, and

- A period of eligible past pensionable service transferred from a previous employer under the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act, or under a pension plan that is registered under the Federal Pension Benefits Standards Act.

If you are a part-time employee, your pensionable service will be calculated as a proportion of the pensionable service that a full-time employee accumulates.

Purchase of Unpaid Leave

You can maximize your pensionable service by continuing to pay pension contributions during periods of unpaid leave. Both Member and Employer contributions are payable by you unless the Staff of the Non-Public Funds, Canadian Forces has adopted a policy or provision to share payment of the contributions.

The Income Tax Act imposes restrictions and conditions on the purchase of unpaid service. The Income Tax Act does not allow purchase of unpaid leave in excess of five (5) accumulated years of service, plus three (3) years for parenting leaves.

Buyback or Amalgamation of Previous Service

You may be able to increase your pensionable service by buying back a period of past pensionable service for which you transferred funds out of the Pension Plan. You may also increase your pensionable service by combining your current pensionable service with previous pensionable service, for which you left funds in the Pension Plan. In these cases, your cost to buy back pensionable service, or combine current and previous pensionable service, will be calculated on an actuarial basis. In most cases, the cost of service calculated on an actuarial basis will be significantly higher than that of a contribution-based costing.

Please note that this provision shall be allowed only during specified periods as determined and communicated from time to time by the Staff of the Non-Public Funds, Canadian Forces taking into account the funded status of the Pension Plan and other financial factors relevant to the Pension Plan.

Transfer of pensionable service from another employer

You will be allowed to transfer eligible prior pensionable service with a previous employer to the Pension Plan. Only pensionable service under the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act, or under a pension plan registered under the Federal Pension Benefits Standards Act, from another employer immediately prior to your most recent date of membership, in the Canadian Forces Non-Public Funds Employees Pension Plan, will be eligible for transfer.

If your previous employer's pension plan allows a transfer of pension funds:

- You must request the transfer within your previous employer's prescribed timelines for transfer but no later than one (1) year from the date you joined the Pension Plan.
- The contributions required to purchase a period of past pensionable service must be transferred in a lump sum payment directly from the registered pension plan of your prior employer.

Please note that the value of the Staff of the Non-Public Funds, Canadian Forces pensionable service purchased using transferred funds from your previous employer is calculated according to a prescribed formula. Therefore, the pension funds available from your previous employer may not be sufficient to purchase the equivalent years of pensionable service within the Pension Plan. In that case, you will be credited with the amount of Staff of the Non-Public Funds, Canadian Forces pensionable service that your available funds can purchase.

Contact your local Human Resources office for more information.



Disability Provision

If you become disabled and are receiving benefits from the Staff of the Non-Public Funds, Canadian Forces' Long Term Disability plan or workers' compensation, your pensionable service and pensionable earnings continue to accumulate based on the earnings you were receiving prior to your leave, however you are no longer required to make contributions to the Pension Plan.

If you recover from your disability and return to work, you must start contributing to the Pension Plan again.

If you stop receiving disability benefits and do not return to work, the status of your pension benefits will be based on your employment status.

If you reach age sixty-five (65) while on disability, your disability benefits will cease and you will begin to receive a pension benefit based on your total years of pensionable service as described under "Amount of Pension", including pensionable service accrued during your period of disability.

If you die before retirement and while on disability, your Beneficiary is entitled to the same death benefit described under "Death Benefits".

Retirement Planning

For most people, approaching retirement can be a time of excitement but also apprehension since you will be making some very important decisions in your life. With the proper planning, you can enjoy a smooth transition into retirement. You should consult with anyone necessary to ensure you are comfortable with your retirement decision, starting with your Spouse or Partner, and possibly your local HR Office, the Pension Administrator, and your Financial Advisor.

If you are interested in a pension estimate for planning purposes, you are encouraged to visit the pension estimator online.

While this estimate will not contain all the information of a formal pension estimate, it will provide you with the opportunity to review your current situation and project future pension benefits.

You are encouraged to visit the pension webpage in the CFMWS Employee Zone to access a variety of retirement planning resources, such as detailed information, tools, checklists, and links to useful websites, which can assist in your planning process.

When retiring, we request that you provide the Staff of the Non-Public Funds, Canadian Forces with three (3) months notice, and one (1) month notice when resigning. Formal pension estimates from our Pension Administrator can be provided to you up to six (6) months prior to your anticipated retirement or termination date. In order to provide you with the most accurate estimates as possible, we are unable to provide pension estimates any further in advance.

Retirement Date

Your retirement date is the date you cease working and begin to draw a pension from the Pension Fund. The date on which you can retire and the amount of pension you are entitled to receive are determined by your age, years of pensionable service and your pensionable earnings. We request that you provide three (3) months notice when retiring to allow for processing and workforce planning.

Your Normal Retirement Date is the first day of the month following your 65th birthday; however, you may be eligible for an earlier pension if you meet certain criteria, or you may choose to retire at a later date.

Summary of Retirement Date Options

You have attained...	If you...	You may retire....
Your Pensionable Age	Have less than ten (10) years of pensionable service and are at least sixty-five (65) years of age	On the first day of any month following your 65 th birthday (up to age 71) and commence to receive an immediate unreduced pension.
Your Pensionable Age	Have ten (10) or more years of pensionable service and are at least sixty (60) years of age	On the first day of any month following your 60 th birthday (up to age 71) and commence to receive an immediate unreduced pension.
Your Early Retirement Date	Have less than ten (10) years of pensionable service and are at least fifty-five (55) years of age	On the first day of any month following your 55 th birthday and commence to receive an immediate pension. The immediate pension benefit will be reduced by 1/4 per cent for each month that your actual retirement date precedes your Normal Retirement Date. Or, alternatively, you may elect to receive a Deferred Pension at age 65.
Your Early Retirement Date	Have ten (10) or more years of pensionable service and are under sixty (60) years of age and are at least fifty (50) years of age	On the first day of any month following your 50 th birthday and commence to receive an immediate pension. The immediate pension benefit will be reduced by 1/4 per cent for each month that your actual retirement date precedes the first day of the month following your 60 th birthday. Or, alternatively, you may elect to receive a Deferred Pension at age 60.

Pension Formula

The pension amount defined by the pension formula provides the normal form of pension (see “Forms of Pension”). The annual pension benefit to which you are entitled at Pensionable Age, up to the maximum limits as defined by the Income Tax Act, is calculated as follows:

For Pension Service on or after January 1, 1997
1.5% of your Highest Average Pensionable Earnings up to the average YMPE plus 2% of your Highest Average Pensionable Earnings above the average YMPE <i>multiplied by</i> years of Pensionable Service since January 1, 1997

PLUS

For Pensionable Service before January 1, 1997
The greatest of 1, 2 or 3 below:
1. 40% of your total required contributions before January 1, 1997
2. 1.5% of your Highest Average Pensionable Earnings up to the average YMPE plus 2% of your Highest Average Pensionable Earnings above the average YMPE <i>multiplied by</i> years of Pensionable Service before January 1, 1997
3. 1.8% of your average annualized earnings for 1994, 1995 and 1996 up to \$34,900 plus 2.4% of your average annualized earnings for 1994, 1995 and 1996 above \$34,900 but below \$52,350 plus 2% of your average annualized earnings for 1994, 1995 and 1996 above \$52,350 <i>multiplied by</i> years of Pensionable Service before January 1, 1997

Should you retire on your Early Retirement Date, your annual pension benefit will be reduced accordingly.

Your annual pension benefit is paid in equal monthly installments payable at the beginning of each month.

If you are a part-time employee, your annual pension benefit will be calculated as a proportion of what a full-time member would earn.

Bridge Benefit

In addition to your annual pension benefit, you are eligible to receive a bridge benefit if you retire prior to your Normal Retirement Date and meet eligibility criteria. The bridge benefit is an additional monthly benefit payable from your retirement date to the month after you reach age sixty-five (65) inclusive or the month following your date of death, inclusive. Bridge benefits are payable to the Member only; if you die before age sixty-five (65) while in receipt of a bridge benefit, no bridge benefits are paid to your Spouse or your Beneficiary.

You will receive a bridge benefit if you meet the following eligibility requirements:

- retire between age fifty-five (55) and sixty-five (65)
- have at least five years of pensionable service, and
- age plus pensionable service equals at least sixty-five (65) (see below).

Age	Completed Years of Pensionable Service
55	10
56	9
57	8
58	7
59	6
60	5
61	5
62	5
63	5
64	5

If you retire prior to age fifty-five (55), you are not eligible to receive a bridge benefit.

The bridge benefit is equal to \$15.00 per month multiplied by your full and partial years of pensionable service, to a maximum of \$300 per month (the maximum will be reached with twenty (20) years of pensionable service).

Postponed Retirement Pension Benefit

If you postpone your retirement benefits until after your Normal Retirement Date, the pension at actual retirement is calculated in the same manner as a normal retirement pension, but is based on your additional years of pensionable service and pensionable earnings to a maximum of thirty-five (35) years in the Pension Plan.

A Member's postponed retirement date is determined as the earlier of the following two dates:

- first day of the month following termination of employment
- 1 December of the calendar year in which you attain or will attain age seventy-one (71).

In accordance with the Income Tax Act, your pension benefit must start being paid to you no later than December 1 of the calendar year in which you attain or will attain age seventy-one (71). If you wish to continue working beyond the age of seventy-one (71), payment of your monthly pension benefit must commence but, in this case, you are not required to terminate your employment in order to begin receiving your monthly pension benefit.

Forms of Pension

The form of pension benefit payable to you depends on your marital status at the time of your retirement.

Normal Form of Pension – Life with 15 Year Guarantee

The normal form of the lifetime pension is a benefit payable in equal monthly installments for your lifetime and guaranteed to be paid for a period of not less than 180 months. If you die before receiving 180 monthly payments, your Beneficiary is entitled to receive the value of the remaining balance of the 180 payments in a lump sum. If you die after receiving 180 monthly payments, your last payment shall be the payment for the month in which your death occurs.

If you do not designate a Beneficiary, or if your Beneficiary dies before you, any benefits payable to your Beneficiary will be paid to your estate in a lump sum, less applicable withholding tax.

This form of pension is the default option for retiring Members unless you have a legal Spouse at retirement.

Automatic Form for Member with Spouse – Joint and Survivor

If you have a legal Spouse at retirement, your pension benefit must be paid as a joint pension to you and your Spouse unless your Spouse signs a waiver form one (1) month prior to retirement. Your pension benefit is payable in monthly installments for your lifetime and payable after your death to your Spouse for their lifetime. The automatic Joint and Survivor pension reduces to 60% after your death or you may elect a Joint and Survivor pension that remains at 100%. Since both the normal form of pension and the Joint and Survivor pension benefits must have the same value, the amount of the Joint and Survivor pension is adjusted accordingly, depending on the option you choose.

Once the Pension and Benefits office has been advised of your request for retirement, retirement paperwork outlining your pension options will be sent to you within thirty (30) days by the Pension Administrator. After you receive this paperwork, you must make an election and return the required signed forms within ninety (90) days.

Default Option

If you do not return your signed election forms, the default option is to assume you have elected Life with Fifteen (15) Year Guarantee for single Members, or a Joint and Survivor pension with 60% payable to the surviving Spouse for Members with an eligible Spouse.

Termination Benefits

Pension benefits are immediately vested upon enrollment into the Pension Plan and calculations for pension benefits are required for all terminations. The value of your pension will always equal or exceed your total contributions with interest.

If you leave your employment prior to your Early Retirement Date, with two (2) or more years of membership in the Pension Plan, you may elect one of the following options:

- Leaving your pension benefits with the Pension Plan until retirement (deferred pension); or,
- Transferring the value of your pension benefit to a “locked-in” RRSP or life income fund; or,
- Transferring the value of your pension benefit on a “locked-in” basis to another registered pension plan; or,
- Using the Transfer Value of your pension to purchase an immediate or deferred life annuity from an insurance company

A “locked-in” provision means that the benefit cannot be removed from the Pension Plan until retirement or an age specified in pension legislation.

If you have been a Member for less than two (2) years, the options above are not required to be locked-in, or you may elect to receive a cash lump sum payment, less withholding tax.

If you leave your employment on or after your Early Retirement Date, you are considered to have retired from the organization and are eligible to receive an immediate monthly pension benefit or defer your pension payment to Pensionable Age.

Once the Pension and Benefits office has been advised of your termination, termination paperwork outlining your pension options will be sent to you within thirty (30) days by the Pension Administrator. After you receive this paperwork, you must make an election and return the required signed forms within ninety (90) days.

Mandatory Transfers

If the value of your pension is less than 20% of the YMPE in the year that you terminate, you do not have the option of leaving your pension with the Pension Plan.

In this event, your options would include:

- Receiving the value of your pension in a cash lump sum, less withholding tax; or,
- Transferring the value of your pension benefit to another registered pension plan; or,
- Transferring the value of your pension benefit to an RRSP; or,
- Using the Transfer Value of your pension to purchase an immediate or deferred life annuity

Default Option

When you receive your termination options, you must make an election and return the required signed forms within ninety (90) days. If you do not return your signed election forms within ninety (90) days, the default option is to assume you have elected to leave your pension benefits with the Pension Plan until retirement (see “Deferred Pension” section).

Death Benefits

If you die before retirement while a Member of the Pension Plan or while a former Member entitled to a deferred pension, your Beneficiary is entitled to a death benefit. The amount and form of the death benefit depends upon your age, pensionable service and marital status as outlined below.

1. If you die prior to being eligible for Early Retirement (age fifty-five (55) with less than ten (10) years service or age fifty (50) with ten (10) or more years service), your Spouse is entitled to a death benefit equal to the Transfer Value of your pension benefit, calculated as if your employment terminated on date of death. If, as a former Member, you are entitled to a deferred pension, your Spouse is entitled to a death benefit equal to the Transfer Value of your deferred pension.
 - a. Your Spouse may elect to:
 - i. transfer the death benefit to a “locked-in” RRSP or life income fund; or
 - ii. transfer the death benefit to his/her employer’s pension plan if that pension plan permits it and if the employer administers the funds as “locked-in”; or
 - iii. use the death benefit to purchase an immediate or deferred life annuity from an insurance company.
 - b. If you do not have a Spouse on the date of death, a death benefit equal to the value of your pension benefit is payable to your Beneficiary in a cash lump sum payment, less withholding tax.
2. If you die after being eligible for Early Retirement (age fifty-five (55) with less than ten (10) years service or age fifty (50) with ten (10) or more years service) but before commencing a retirement pension,
 - a. Your Spouse is entitled to a pension benefit payable for life in equal monthly installments. The pension benefit is calculated as if you retired on the date of your death and elected the automatic form of pension. If your Spouse does not wish to receive an immediate pension benefit, your Spouse may elect one of the options outlined in 1. a. above or may elect to leave the benefit with the Pension Plan for future retirement.
 - b. If you do not have a Spouse on the date of death, a death benefit equal to the value of your pension benefit is payable to your Beneficiary in a cash lump sum payment, less withholding tax.

Note: If the Transfer Value of any death benefit payable to your Spouse is less than 20% of the YMPE for the calendar year of your death, your Spouse must elect to:

- a. receive the death benefit in a cash lump sum payment, less with holding taxes; or,
 - b. transfer the death benefit to another registered pension plan; or,
 - c. transfer the death benefit to a RRSP; or,
 - d. use the death benefit to purchase an immediate or deferred life annuity from an insurance company.
3. If you die after retirement, pension benefits are paid to your Spouse or Beneficiary according to the type of pension you chose at retirement.

Minimum Benefit

Under pension legislation, you cannot fund more than 50% of the Transfer Value of your pension benefits if you elect to receive an immediate pension upon retirement, or if your spouse elects to receive an immediate pension upon your death before retirement. In these situations, your contributions plus interest will be compared to the Transfer Value of your pension benefits. If your contributions plus interest total more than one-half of the Transfer Value of your pension benefits, then the excess contributions will be used to increase your monthly pension benefit.

For example, Jane was a member of the pension plan from 2006 to 2016. When she retired and decided to receive an immediate pension, the Transfer Value of her pension benefits was calculated as \$100,000. According to the above minimum benefit rule, Jane's accrued contributions and interest could not be used to provide more than half this amount; that is, \$50,000. However, her contributions and interest totaled \$55,000; that is, \$5,000 more than 50% of the Transfer Value. Therefore, Jane's monthly pension benefit was increased by the amount that could be provided using the \$5,000 of excess contributions.

Deferred Pension

If you terminate your employment and leave the value of your earned pension in the Pension Plan, your entitlement to a monthly pension benefit has been deferred (postponed) to a later date. In this case, the value of your deferred pension is calculated as of the date your employment terminates and is payable on the first day of the month following your Pensionable Age.

Early Commencement of Deferred Pension

If you have a deferred pension, you may choose to receive your monthly pension payments on the first day of the month following attainment of your Early Retirement Date. In this case, the amount of the deferred pension benefit will be reduced by 1/4 per cent for each month that your retirement date precedes your Pensionable Age.

Removal of Deferred Pension

Once you have deferred your pension, you will only be allowed to transfer your deferred pension from the Pension Fund during specified periods as determined solely by Staff of the Non-Public Funds, Canadian Forces. During such specified periods, you may choose to transfer your deferred pension out of the Pension Fund until your Early Retirement Date. In this case, the Transfer Value of your pension benefit is re-calculated as of the date of your request and you may elect one of the following options:

- Transferring the value of your pension benefit to a “locked-in” RRSP or life income fund; or,
- Transferring the value of your pension benefit on a “locked-in” basis to another registered pension plan; or,
- Using the Transfer Value of your pension to purchase an immediate or deferred life annuity from an insurance company.

Your deferred pension cannot be transferred out of the Pension Fund after attaining your Early Retirement Date.

Pension Documentation

You and your Spouse, if applicable, will receive an annual statement from the Pension Administrator containing pension information as required by pension legislation. Such information includes the amount of your accrued pension, average earnings, total contributions and the funding status of the Pension Plan. If you have a current or future entitlement to a pension benefit, it is vital that your mailing address is kept current at all times to ensure that you receive important information on your pension entitlements.

You, or your Spouse, if applicable, may examine the Pension Plan text once a year at a place agreed to by Staff of the Non-Public Funds, Canadian Forces, or you may request in writing a photocopy for which a small fee may be charged.

Government Benefits

In addition to your Pension Plan benefits, you may also be entitled to payments from the Canada or Quebec Pension Plan (C/QPP) when you retire, and Old Age Security (OAS) and Guaranteed Income Supplement (GIS) payments when you reach age sixty-five (65). Payments from these plans are not automatic – you must apply for benefits.

Benefits payable under the C/QPP are based on your eligible salary and the number of years you contributed to the plan. Benefits are normally payable from age sixty-five (65) and are approximately 25% of your eligible salary as defined by the C/QPP programs. You may apply for these benefits as early as age sixty (60) with a reduction, or later than age sixty-five (65) with an increased benefit.

Benefits payable under the OAS plan are based on your age and your years of residency in Canada since the age of eighteen (18). Employees with less than forty (40) years of residency in Canada after age eighteen (18) are eligible for a partial OAS pension. Old Age Security payments are reduced if your retirement income is higher than a certain amount established each year by the government.

Benefits payable under the GIS provide additional funds, in addition to the OAS pension, to lower-income seniors living in Canada. To be eligible for the GIS benefit, you must be receiving the OAS pension and meet the income requirements set out by the government.

For more information on these plans:

CPP & OAS/GIS website - <http://www.servicecanada.gc.ca>

QPP website - <http://www.rrq.gouv.qc.ca>

CPP & OAS/GIS

Service in English 1-800-277-9914

Service in French 1-800-277-9915

QPP 1-800-463-5185

Please Note: pension amounts shown in this booklet do not include payments you may receive from C/QPP, OAS and/or GIS.

Contact Information

For general information regarding the Pension Plan, pension benefits, contributions, etc. please contact your local Human Resources office. Your local Human Resources office will also be able to initiate a pension estimate from our Pension Administrator on your behalf.

If you disagree with a decision affecting your pension entitlement or rights under the Pension Plan, a review of your situation can be arranged by contacting your local Human Resources office.

For information regarding your annual pension statement or pension options after retiring or terminating, please contact our Pension Administrator, Coughlin and Associates at:

Telephone: Local Tel: 613-231-2266
Toll Free: 1-888-613-1234

Email: nfpension@coughlin.ca
fnpretraite@coughlin.ca



Examples of Pension Contributions

You are required to contribute 4.5% of pensionable earnings per pay period to the Pension Plan, up to the Canada Pension Plan Yearly Maximum Pension Earnings (YMPE), and 6% of pensionable earnings that are in excess of the YMPE.

Annual Pensionable Earnings	\$35,000		\$65,000		\$95,000	
	Employee Contributions	Employer Contributions*	Employee Contributions	Employer Contributions*	Employee Contributions	Employer Contributions*
Assumed AYMIPE	\$50,000					
Assumed Per Pay Period Low Contribution Rate (4.5% up to YMPE)	\$61	\$103	\$113	\$190	\$164	\$278
Per Pay Period High Contribution Rate (6% in excess of YMPE)	N/A	N/A	\$150	\$254	\$219	\$371
Annual Contribution Rate (Low - 4.5%)	\$1,575 4.5% of \$35,000	\$2,666	\$2,250 4.5% of \$50,000	\$3,809	\$2,250 4.5% of \$50,000	\$3,809
Annual Contribution Rate (High - 6%)	N/A (YMPE not reached)	N/A	\$900 6% of \$15,000 (\$65,000-\$50,000)	\$1,524	\$2,700 6% of \$45,000 (\$95,000-\$50,000)	\$4,571
Total Annual Contributions	\$1,575	\$2,666	\$3,150	\$5,333	\$4,950	\$8,380

*In 2013, Staff of the Non-Public Funds, Canadian Forces contributed 169.3% of employee contributions

Examples of Monthly Pension Calculations

Pension Calculations for Post 1997 Employment
Assumed AYMP/E is \$49,833.33

Annual Pensionable Earnings		\$35,000		\$65,000		\$95,000	
Age & Years of Pensionable Service	Employee Age 58 with 6 years	Employee age 60 with 15 years	Employee Age 58 with 6 years	Employee age 60 with 15 years	Employee Age 58 with 6 years	Employee age 60 with 15 years	Employee age 60 with 15 years
Bridge Benefit	N/A	\$225	N/A	\$225	N/A	\$225	\$225
PENSION OPTIONS							
Life with 15 Year Guarantee	\$207.38	\$656.25	\$415.08	\$1,313.54	\$652.08	\$2,063.54	
Joint and Survivorship at:	60%	100%	60%	100%	60%	100%	60%
If Spouse Age 53	\$196.92	\$186.90	\$394.15	\$1,236.89	\$619.20	\$587.68	\$1,825.69
If Spouse Same Age	\$200.71	\$192.65	\$401.73	\$1,274.95	\$631.11	\$605.77	\$1,915.23
If Spouse Age 64	\$204.85	\$199.09	\$410.03	\$1,295.22	\$644.14	\$626.03	\$1,964.20

Pension Calculations for Pre and Post 1997 Employment

Assumed AYMP/E is \$49,833.33

Example shows 7 years of pre-1997 pensionable service and 16 years of post-1997 pensionable service

Average Pensionable Earnings	\$50,000
Age & Years of Pensionable Service	Employee age 60 with 23 years
Bridge Benefit	\$300
PENSION OPTIONS	
Life with 15 Year Guarantee	\$1,439.09
Joint and Survivor at:	60%
If Spouse Age 55	\$1,367.07
If Spouse Same Age	\$1,396.81
If Spouse Age 64	\$1,419.01
	100%
	\$1,290.90
	\$1,335.66
	\$1,369.81

Definitions

The Pension Plan text is the legal document which details the provisions of the Pension Plan. The following terms are used in the pension booklet and are important in the calculation of your pension.

Average Year's Maximum Pensionable Earnings (AYMPE): the calculated average of the YMPE in the year pensionable service ceases and the two (2) preceding years.

Beneficiary: the individual designated to receive any benefits payable under the Pension Plan on the death of the Member. In accordance with federal law, your spouse or common-law partner is automatically the Beneficiary of any death benefits.

Deferred Pension: earned pension benefits that have been left in the Pension Plan when the Member terminates employment.

Early Retirement Date: the first day of the month following the date on which the Member's continuous employment ceases where such date is within ten (10) years of Pensionable Age but prior to attaining Pensionable Age.

Highest Average Pensionable Earnings: means your average earnings as a Member during the three (3) highest-paid consecutive years in the ten (10) years before your pensionable service ceases. If you have less than three (3) years of Pensionable Earnings, then the actual average of pensionable earnings received will be used.

Member: an employee who has fulfilled the eligibility requirements and who has completed the necessary enrolment forms. A Member shall cease to be a Member on termination of employment, retirement or death.

Normal Retirement Date: the first day of the month following the Member's 65th birthday.

Pensionable Age: the earliest age at which a Member or former Member may begin to receive a pension benefit without reduction.

Pensionable Earnings: base salary or wages, excluding bonuses, special remuneration and gratuities, but including overtime pay, performance/incentive pay, acting pay, vacation payouts, commissions, and pay during working notice period, which has been earned or deemed to be earned during periods of pensionable service.

Pensionable Service: any period of service, recognized by the Staff of the Non-Public Funds, Canadian Forces as pensionable within the Pension Plan provisions, during which you have been a Member of and paid contributions to the Pension Plan, to a maximum of thirty-five (35) years. Pensionable service for part-time employees will be prorated to hours worked.

Spouse: a person who has resided with the Member or former Member in a conjugal relationship, for a continuous period of one (1) year or more; or a person who is legally married to the Member or former Member or who is party to a void or, in Quebec, null marriage with the Member or former Member.

Transfer Value: the lump sum amount, including bridge benefits where applicable, which is the actuarial present value of the benefits to which you have or may have a future entitlement to, calculated using rates of interest, actuarial tables and other assumptions, subject to the Pension Benefits Standards Act and the Income Tax Act.

Year's Maximum Pensionable Earnings (YMPE): The maximum earnings set each year by the Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) on which you are required to make CPP/QPP contributions. The YMPE also determines the earnings amount that is used for calculating the Staff of the Non-Public Funds, Canadian Forces pension contributions each year.

