Non Academic Pension Plan

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Introduction

The University of Saskatchewan Non-Academic Pension Plan (referred to here as "the Plan") is a Defined Benefit plan and is designed to provide you with a regular monthly income after retirement. A Defined Benefit plan provides you with a pension calculated according to a set formula based on Pensionable Earnings and years of Pensionable Service. Both you and the University contribute equally to the plan. The University invests these shared contributions and assumes the risk for investment performance. These contributions, plus the interest they earn, fund your benefit. The longer you work at the University and the more your salary increases, the greater your pension will be.

The University of Saskatchewan Non-Academic Pension Plan is a key component of your retirement income. Government benefits and your personal savings will build on this foundation.

This summary of the Plan's provisions is intended to give you a general understanding of how your Pension Plan works. Of course, not every detail of the Plan can be included in a booklet such as this. If a situation is not covered or there is a misunderstanding about what the booklet means in a particular case, the exact terms and conditions of the Plan text and applicable legislation will determine the benefits to be paid. A copy of the Plan text is available for inspection at the Pensions Office or the CUPE Local 1975 Union Office.

This is your Pension Plan and it may play an important role in your financial future. We encourage you to read this booklet and contact the Pensions Office or the representatives on the Committee responsible for the management of the Plan with any questions or comments you may have.

Eligibility

You are eligible to participate in the University of Saskatchewan Non-Academic Pension Plan if you are an employee who works at least half-time and who is

- a member of CUPE Local 1975 and actively employed as
    - a permanent or seasonal employee, or
    - a permanent or seasonal employee who is temporarily occupying a term position, or
    - a term employee who has been employed continuously in the same position for more than one year.
- an employee of CUPE Local 1975 office, and University affiliated colleges.
- a member of the Exempt Group or the Administrative Group who has been permitted to continue membership in the Plan.

Contributions

Both you and the University, or affiliated employer, contribute to the Plan to fund your pension benefit.

Member Contributions
Each month, you are required to contribute 8.5% of your pensionable earnings through payroll deduction.

University or Affiliated Employer Contributions
The University or Affiliated Employer contributes the amounts required to provide benefits under the Plan and to meet tests prescribed by legislation for funding of pension plans. The University is currently matching the required contributions made by the Plan Members.

Investments and Interest
All contributions are deposited into a trust fund. The money in the fund is invested in stocks, bonds, and other assets by professional investment managers under the direction of the Non-Academic Fringe Benefits Committee and in accordance with the investments permitted by the Pension Benefits Act, 1992 (Saskatchewan).

Your Member Contributions are credited with interest each year at the rate prescribed by the Pension Benefits Act, 1992 (Saskatchewan). This rate is based on the average rate of interest for five-year personal fixed term deposits offered by chartered banks. At the end of the year, this rate is applied to your previous years' contributions. Member Contributions made during the year receive interest at one-half this rate.

Retirement Benefits
The University offers three retirement dates:

1. **Normal Retirement** – the first day of the month immediately following your 65th birthday.

2. **Early Retirement** – the first day of the month immediately following your 55th birthday; or,

   - if you have completed 30 years of Pensionable Service, or
   - the sum of your age and pensionable service is at least equal to 80, or
   - you are at least age 60.

3. **Postponed Retirement** – You may postpone your retirement to the first day of any month following your normal retirement date, but, in any event, you must retire no later than the end of the year in which you turn 71. If you postpone your retirement you will continue to contribute to the pension fund. When you do retire, the pension you receive will be calculated using the normal retirement formula and will be based on your Highest Average Earnings and Pensionable Service at your actual retirement date.

Applying for Your Pension Benefits
If you are considering retirement, you should contact the Pensions Office. They will provide you with estimates of your pension and the options available to you.

You should apply for your pension at least three months before the date you plan to retire. This will allow you to become familiar with the pension options available to you, and will ensure that your monthly payments begin on time. The University will require proof of your age and marital status, as well as proof of your spouse's age.

The Pension Benefit Formula

Your pension is based on:

- your average earnings over the four consecutive years when your earnings were the highest, and
- your years of Pensionable Service.

The Pension Formula is:

2.0%	*x*	*Member's Highest Average Earnings*	*x*	*Pensionable Service*

Pension at Normal Retirement

Your normal retirement date is the first day of the month immediately following your 65th birthday. If you decide to retire at this time, you have two options:

1. Receive Your Pension from the Plan

If you retire on your normal retirement date, your pension will be calculated using the pension formula.

For example, if you retire in 2013 at age 65 with 25 years of Pensionable Service and Highest Average Earnings of $40,000, your pension will be calculated as follows:

2% x $40,000 x 25 years ***= $20,000.00 per year***

2. **Defer your Pension** until or before the end of the calendar year when you turn age 71.

Maximum Pension

Your pension may not exceed the maximum amount allowed under the Income Tax Act.

Excess Contributions

When you retire, the Commuted Value of your pension will be determined. If your Member Contributions with interest are greater than half of the Commuted Value of your pension, you will be entitled to the excess. These excess contributions must be received as a lump sum cash refund.

Pension at Early Retirement
You may elect to retire early with no reduction to your pension for early retirement if:

- you have completed 30 years of Pensionable Service, or
- the sum of your age and Pensionable Service is at least equal to 80, or
- you are at least age 60.

In any of these cases, your pension will be determined using the pension formula.

You may elect to retire before you satisfy one of these conditions provided you are at least age 55. In this case, your pension will be reduced by 0.25% for each month (3% for each year) your actual retirement date precedes the earlier of age 60 and the point at which 80 points would be achieved if service was frozen and age allowed to grow.

For example, if you retire in 2013 at age 55 with 15 years of Pensionable Service, and Highest Average Earnings of $40,000, your pension will be calculated as follows:

2% x $40,000 x 15 years		= $12,000.00 per year
Minus a reduction of		
3% x years less than 60 x normal retirement total	3% x 5 years x $12,000.00	= $ 1,800.00 per year
Reduced early retirement pension:		**$10,200.00 per year**

Your early retirement pension will be based on your Highest Average Earnings and your Pensionable Service at your actual retirement date.

Your Payment At Retirement

There are various ways to receive your pension payment when you retire. The standard form of pension is called the Normal Form.

Your pension will begin on the last day of the month in which you retire, and will continue to be paid at the end of each month for your lifetime. When you retire, the pension you receive will be calculated using the pension formula and will be based on your Highest Average Earnings and Pensionable Service at your actual retirement date.

Normal Form of Pension Payment

The "normal form" of pension is paid to you for your lifetime with a guarantee that at least 120 monthly payments (10 years' worth) will be made. This means, if you die before you have receive 120 payments, the balance of the 120 monthly payments will be paid to your beneficiary, or if you have not designated a beneficiary, to your estate. The amount calculated using the pension formula is payable in this normal form.

Required Form of Pension Payment

If you have a Spouse at the date of your retirement, Saskatchewan pension legislation requires that you must receive your pension payment in a form that provides for at least 60% of your pension to continue to your Spouse after your death for the remainder of his or her life. This requirement will mean an adjustment to your Normal Form of pension and, in most cases, a reduction from the Normal Form of pension you will receive. If your Spouse signs a waiver giving up his or her right to the minimum survivor benefit, you are free to choose any form of pension offered by the Plan.

Optional Forms of Pension Payment

Other forms of pension are available under the Plan. Some of the forms have a longer guarantee period than the normal form, and others provide a greater amount of pension continuing to your spouse in the event of your death. Provided you comply with the legislation on the "required form", you may choose the option that best suits your needs.

The optional forms of pension payment include:

- **Life Guaranteed 10 or 15 Years**. A pension payable for your lifetime and guaranteed for ten years (120 payments) or fifteen years (180 payments).

- **Joint and Survivor**. A joint and survivor pension is paid to you for your lifetime. If you should die before your spouse, a portion of your pension will continue to your spouse for his or her lifetime. The monthly amount paid to your spouse can be 100%, 75% or 60% of the amount paid to you. Your monthly pension under this form is lower than under the normal form because your pension is paid for two lifetimes – yours and your spouse's.

- **Joint and Survivor Guaranteed 5, 10 or 15 Years**. A joint and survivor pension is paid to you for your lifetime with the guarantee that at least 5, 10 or 15 years of payments will be made. If you die before the guarantee period has elapsed, the balance of the monthly payments in the guarantee period will be made to your spouse (or beneficiary if your spouse has predeceased you). At the end of the guarantee period, a portion of your pension will continue to your spouse for his or her lifetime. The monthly amount continuing to your spouse can be 100%, 75% or 60% of the amount paid to you. Your monthly pension under this form is lower than under the normal form because your pension is paid for two lifetimes – yours and your spouse's.

- **Integration with Government Benefits**. This form of pension, in conjunction with one of the other forms, provides you with higher payments during retirement before you begin to receive Canada Pension Plan or Old Age Security benefits at age 65, and pays a lower pension once these government benefits begin. This allows you the opportunity to level out the amount of retirement income before and after you receive the government pensions.

Death Benefits

Before Retirement

In the event of your death before retirement, your designated beneficiary or estate will receive a death benefit, which is the greater of:

- the Commuted Value of the pension you had earned to the date of your death, or
- two times your required member contributions with interest to the date of your death.

If you do not have a Spouse when you die, your designated beneficiary or your estate will receive the death benefit as a lump sum payment, less applicable withholding taxes. Any tax resulting from an adjustment to the tax rate when income taxes are filed will be owed.

If you have a Spouse when you die, your Spouse is entitled to your death benefit, unless he or she has waived this right by completing a prescribed waiver form. Your Spouse can choose:

- a lump sum payment (less applicable withholding taxes); or
- a transfer to a Registered Retirement Savings Plan (RRSP); or
- a transfer to a Locked-In Retirement Account (LIRA) if he or she is younger than 55. If your spouse is over age 55, he or she can transfer your account balance to a LIRA or to a Prescribed Registered Retirement Income Fund (RRIF); or
- transfer to an insurance company for the purchase of an immediate or deferred Life Annuity; or
- a transfer to another registered pension plan, provided the other plan permits such a transfer.

If your Spouse does not elect one of the above options within 180 days of the date on which proof of death of the Member is provided to the University, the university may pay the amount as a lump sum payment to the Spouse.

After You Retire

In the event of your death after retirement, your Spouse or Beneficiary will receive the benefits based on the pension option you chose at retirement.

Beneficiary Designation

Upon enrolment in the Plan, you make a revocable Beneficiary designation. In accordance with the Saskatchewan Pension Benefits Act and pension legislation, in the event of your death before your pension payment begins, if you named someone other than your Spouse as beneficiary, pension legislation may override this designation, and your spouse may be entitled to certain benefits regardless of any other beneficiary you have named, unless your spouse has waived this right by completing a prescribed waiver form. If you do not have a spouse or a designated beneficiary, any death benefits will be paid to your estate. It is important to keep your beneficiary designations up-to-date to avoid delay and confusion for your survivors in the event of your death. Contact the Pensions Office if you wish to make or change your pension beneficiary designation.

Termination Benefits

If you leave the University or affiliated employer for any reason other than death before you are eligible for early retirement, and you have completed ***less than two years*** of Continuous Employment at the date you leave, you will receive a refund of your Member Contributions with interest. You may receive this amount as a lump sum cash refund or transfer it to another pension plan or an RRSP.

If you leave the University or affiliated employer for any reason other than death, are ***not eligible for early retirement***, and you have completed ***two or more years*** of Continuous Employment at the date you leave, or you are eligible to:

- The monthly pension earned to your date of termination, payable as a deferred pension at your early or normal retirement date, plus any excess contributions that may arise when your pension is calculated; or
- Transfer your benefit out of the Plan

If you elect to transfer your benefit out of the Plan, you will be entitled to transfer the greater of:

- the Commuted Value (the present value as determined by an actuary) of the pension you had earned to the date you leave, or
- two times your required Member Contributions with interest to the date you leave.

You may transfer this benefit to:

- another registered pension plan, or
- a locked-in retirement account (LIRA)

If you choose one of these transfer options, the funds transferred must be used to provide you with a monthly income at retirement in accordance with Saskatchewan pension legislation.

If applicable, in lieu of the full pension earned to the date of your termination, you may elect a refund of up to 50% of your Member Contributions with interest as of December 31, 1993. Your pension benefit and excess contributions will be reduced by any refund you receive.

Any amounts that you receive as a lump sum cash refund will be subject to withholding tax.

If you do not make a choice within 120 days of having your statement of options issued to you, you will be deemed to have elected a deferred monthly pension and your excess contributions, if any, will remain in the Plan.

Special Situations

Contributions While Disabled

If you become disabled, you will continue to make contributions to the pension plan while you are receiving Sick Leave pay. However, you will not be required to contribute while you are receiving disability benefits from the Short or Long Term Disability Plans. In all cases, your period of disability will still be considered Pensionable Service. Your earnings for the calculation of pension benefits will be assumed to be the current rate of pay for your job classification.

Term Positions

If you accept a posted or unposted term position at the request of the University or voluntary apply for a position, you will continue contributions to the Plan and earn Pensionable Service for the period of the term position.

Transfers Between Plans

When you leave the University prior to early or normal retirement, you may transfer contributions and credits between the Plan and any other pension plan where there is a reciprocal transfer agreement.

Members of the University of Saskatchewan Non-Academic Pension Plan may transfer Pension Fund contributions and credits between the University of Saskatchewan and the Saskatchewan Research Council or the University of Regina Non Academic Pension Plan, subject to the conditions of the reciprocal transfer agreements between these plans.

Transfers are permitted from the University of Saskatchewan Non-Academic Pension Plan to the University of Saskatchewan 2000 Academic Money Purchase Pension Plan. If you have any questions about transfers from other plans, contact the Pensions Office.

Re-employment
If you are re-employed by the University in an eligible position within six months of termination and no cash refund or transfer has been made, you will be reinstated as a Member and all Plan provisions will apply. If you elected a cash refund or transfer, you will be considered a new employee.

Marriage Breakdown
When a legal marriage is dissolved, the pension credits may be divided between the spouses in accordance with a court order or interspousal contract. Before distribution of these credits begins, you must provide the Pensions Office with a written request and a copy of the court order or interspousal contract.

A distribution to a spouse, however, shall not reduce the Commuted Value of your accrued benefit to less than 50% of the Commuted Value immediately before the distribution.

Tax Facts

Contributions	**Tax Implications**
Your Contributions	Tax-deductible. You get immediate tax savings each year.
University's Contributions	Tax-sheltered.
Interest Earned on Contributions	Tax sheltered. You do not pay tax on the growth of your contributions until you withdraw funds at retirement.
Transferred Contributions	Tax-sheltered.
Excess Contributions	Tax-sheltered up to Income Tax Regulation transfer limits, if transferred to a registered vehicle.

Transfer Value of Pension	**Tax Implications**
Registered Transfer Amount	Tax-deferred. However, this amount is taxed when paid out of a registered account.
Non-Registered Transfer Amount	Taxable.

Pension Payments	**Tax Implications**
Individual monthly payments	Taxable.

RRSP	**Tax Implications**
RRSP Contributions	Tax-deductible up to Canada Revenue Agency RRSP limits.
RRSP Earnings	Tax-sheltered. You do not pay tax on the growth of your investment until you withdraw

	funds at retirement.
RRSP Contribution Room	Your membership in the Plan will reduce your RRSP room. Canada Revenue Agency attaches a value to your pension benefit that affects your amount of RRSP room.

Government Benefits	**Tax Implications**
CPP Benefits	Taxable.
OAS Benefits	If your taxable income exceeds a threshold level, you may be required to repay all or part of your OAS benefit when you file your income taxes.

Personal Savings

When planning a financial strategy, you need to consider all your sources of retirement income.

The University of Saskatchewan Non-Academic Pension Plan

- the foundation on which to build your retirement income – provides a pension based on a set formula related to your Pensionable Earnings and years of Pensionable Service.

Personal Savings

- Personal Registered Retirement Savings Plans
- Additional savings (non-registered savings)

Government Benefits

- Canada Pension Plan
- Old Age Security

Your personal savings are a very important part of your financial program. Your savings can help make up the difference between what you will receive from the Plan and government benefits and what you will need to meet your retirement income goal.

Your Registered Retirement Savings Plan (RRSP)

A personal Registered Retirement Savings Plan (RRSP) is one of the most popular ways to save for retirement. Even small amounts will go a long way toward creating a reserve of retirement funds.

Reasons for Contributing to an RRSP

Your RRSP contributions earn money on a tax-sheltered basis. This means you won't pay taxes on this investment until you take the funds out. If your contributions were in a bank account or an investment outside an RRSP (a non-registered investment), you would have to pay income taxes on any investment or dividend income and any capital appreciation you realize.

RRSPs give you flexibility. Your personal RRSP has no withdrawal restrictions. You can withdraw your money at any time; but you will have to pay a withholding tax at the time you make the withdrawal. When you file your income tax, you will have to add the amount you have withdrawn from your RRSP to your taxable income.

You can leave your money in your RRSP until December 31 of the year in which you turn age 71. You must then buy a Life Annuity or a Prescribed Registered Retirement Income Fund (PRIF). Your financial institution can help you with this purchase.

RRSP Contribution Limit

The amount you can contribute to your RRSP each year is affected by your membership in the Plan.

Pension Adjustment (PA)

Your Pension Adjustment (PA) is calculated at the end of every year and reported on your T4 form. This is the value Canada Revenue Agency assigns to your benefit under the Pension Plan. The University of Saskatchewan calculates your PA using the following formula provided by Canada Revenue Agency:

PA = 9 times	*Your pension from the Non-Academic Pension Plan based on your earnings and service for the previous year*	*minus $600*

Note that the PA is not necessarily equal to your annual pension contributions (as reported on your T4 slip) plus the University or affiliated employer contributions.

Canada Revenue Agency uses the PA to determine the amount you can contribute to your Registered Retirement Savings Plan (RRSP) each year. Your PA reduces the amount of personal RRSP room you have.

For example, a plan member with Pensionable Earnings of $40,000 would have $800 of pension credited for the year.

The PA would be:

PA = 9 times	*the pension credited in the year*	*minus $600*

= (9 x $800) - $600
= $6,600

RRSP Contribution Room

You may contribute to your personal RRSP up to 18% of your "earned income" from the previous year (to allowable income tax maximums), minus your Pension Adjustment (PA) from the previous year.

For example, in 2013 your maximum allowable RRSP contribution room is equal to

unused contribution room you may have
+ 18% of your earned income in 2012 to a maximum of $22,970
– your PA

RRSP Contribution Limits

The maximum amount you may contribute to an RRSP each year, as permitted by the *Income Tax Act*, is

2010	$22,000
2011	$22,450
2012	$22,970
2013	$23,820

Notice of Assessment

Your RRSP contribution room is shown on the Notice of Assessment that Canada Revenue Agency sends you every year. It shows

- the amount of your PA;
- your RRSP contribution room;
- any over-contributions you may have made; and
- any unused contribution room.

Pension Adjustment Reversal (PAR)

If you leave the Pension Plan early, you may elect to receive a payment equal to the commuted value of your benefit or, if greater, the value of your and the University's contributions with Credited Interest, on that date. Sometimes, the total amount of the PAs that have been reported for you in past years is more than the value of the pension you receive.

A PAR calculation is intended to restore any RRSP contribution room that you lost as a result of participating in the Plan. If you are entitled to a PAR, the University of Saskatchewan will send you a T10 form advising you of the amount.

Government Benefits

Your benefits from the government are a third source of retirement income. You may be eligible to receive payments from two government-sponsored programs – the Canada Pension Plan (CPP) and Old Age Security (OAS).

You must apply to the government at least six months before you would like your benefits to begin. They do not start automatically.

Canada Pension Plan

You will receive the maximum CPP payment if you worked a number of years and earned at least the Year's Maximum Pensionable Earnings (YMPE).

These are the current CPP rules:

If you start your pension between 60 and 65: The CPP reduces your pension amount by a set percentage for each month before age 65, calculated from the time you begin receiving your pension. In 2011, this percentage was equal to 0.5% per month, and will gradually increase to 0.6% per month in 2016. If you start receiving your pension in 2016, the maximum reduction is 36%, which applies if you start receiving your CPP pension on your 60th birthday. This adjustment is permanent–if you choose to start your pension before age 65, your reduced pension amount does not increase when you reach 65.

If you start your CPP retirement pension at age 65: You will get the full pension amount you are eligible to receive.

If you start your pension between 65 and 70: The CPP increases your pension amount by a set percentage for each month after age 65 and before age 70, calculated from the time you begin receiving your pension. In 2010, this percentage was equal to 0.5% per month, and will gradually increase to 0.7% per month in 2013. If you start receiving your pension in 2013, the maximum increase is 42%, which applies if you start receiving your CPP pension at age 70.

If you start your pension after age 70: If you delay starting your pension until after you turn 70, you will only receive the pension amount you would have received at age 70. There is no financial benefit in delaying receiving your pension after the age of 70.

If you die, your Spouse and children may be eligible for benefits. These benefits depend on their ages and the amount of contributions you have made.

Survivors' benefits include lump sum death benefits, a surviving Spouse pension, and orphan pensions.

CPP pensions are adjusted each year based on the change in the Consumer Price Index.

CPP benefits are taxable.

Old Age Security

If you meet certain residence requirements, you will receive a monthly benefit from the Old Age Security (OAS) program.

These are the current OAS rules:

- Any person aged 65 years or older is entitled to the full OAS benefit after 40 years of residence in Canada.
- A partial benefit is payable after a minimum of 10 years of residence in Canada.
- The OAS benefit is adjusted quarterly to keep pace with changes in the Consumer Price Index.
- The OAS benefit is taxable.

If your annual net income is more than the established limit, you may be required to repay all or part of your OAS benefit when you file your income taxes.

How to Apply for CPP and OAS Benefits

You must apply for these government pensions; they will not begin automatically. To apply, you should contact *Human Resources and Skill Development Canada* for an application. The local office in Saskatoon is: Saskatoon Service Canada Centre, 101 – 22nd Street East, Saskatoon, SK S7K 0E2, telephone 1-800-277-9914.

Glossary

Beneficiary

The person you designate to receive death benefits from the Plan after you die.

Canada Revenue Agency Limits

The University of Saskatchewan Non-Academic Pension Plan is a Registered Pension Plan, governed by pension legislation and subject to the rules of the *Federal Income Tax Act*. As a result, there are limits to the amount of retirement income that can be paid to you from this Plan.

Canada Pension Plan (CPP)

The Canada Pension Plan is a federal government program based on earnings-related contributions. It is indexed annually based on the change in the Consumer Price Index. Benefits start when you reach age 65 but may begin as early as age 60. CPP also includes other benefits: a death benefit, a survivors' pension, and disability benefits before you retire. For more information about the Canada Pension Plan please visit:
Service Canada at: **www.servicecanada.gc.ca/**

Commuted Value
Commuted Value is the amount of lump sum payment equal to the actuarial value of a future series of payments. The Commuted Value of your pension is determined on the basis of actuarial assumptions and methods in accordance with generally accepted actuarial principles.

Continuous Employment
Continuous Employment is your most recent uninterrupted period of employment with the University or affiliated employer as a permanent employee. Continuous Employment is not interrupted during periods of approved absence, including

- jury duty
- authorized vacations and statutory holidays;
- authorized absences;
- qualified disability; or
- breaks of less than six months between termination of employment and re-employment with the University into an eligible position, provided you do not receive a cash refund.

In all other cases, Continuous Employment is interrupted by termination of employment, retirement, or failure to return to work following an approved absence or disability.

Early Retirement Date
Retirement before your Normal Retirement Date at age 65. You may retire at any time between age 55 and before the first day of the month immediately following your 65th birthday.

Excess Contributions
When you retire, the Commuted Value of your pension will be determined. If your Member Contributions with interest are greater than half of the Commuted Value of your pension, you will be entitled to the excess. These excess contributions must be received as a lump sum cash refund

Highest Average Earnings
The average of your highest Pensionable Earnings in four consecutive years of Plan participation.

Guarantee Period
Pension payments may be guaranteed for a specific period of time. If you die within this time, your pension payments are guaranteed to continue to your Spouse or designated beneficiary, until the end of this specific period.

Life Annuity
A lifetime pension purchased through a contract with an insurance company. You receive monthly payments, the amount of which will vary depending on the type of annuity you select, the interest rates in effect when you sign the contract, your age and your Spouse's age when the annuity payments begin. The higher the interest rates and

the older you are when payments begin, the higher the pension you will receive. The payments from a life annuity are a blend of interest and capital. Each time a payment is made, the amount of capital remaining in the annuity is reduced, thereby reducing the amount of capital on which further interest can be earned.

Locked-In Arrangements
When benefits are transferred from a pension plan, the money must be transferred directly to a Locked-in arrangement. These locked-in funds cannot be withdrawn immediately in cash. Instead, they must be used to provide a retirement income.

Locked-in Retirement Account (LIRA)
If you leave the University or affiliated employee for any reason other than death, are ***not eligible for early retirement,*** and you completed two or more years of Continuous Employment at the date you leave, you can transfer your pension plan benefits to a Locked-in Retirement Account (LIRA). A LIRA is an investment account in which you can keep your money invested. You cannot make withdrawals from your LIRA. When you reach age 55, and any time thereafter until you turn 71, you can use your LIRA to purchase a Prescribed Registered Retirement Income Fund. Your LIRA must be transferred to a Prescribed Registered Retirement Income Fund or used to purchase a Life Annuity before December 31 of the year in which you turn 71.

Prescribed Registered Retirement Income Fund (RRIF)
A Prescribed RRIF allows you to make annual withdrawals of your money until you die. There is no limit on the maximum amount that can be withdrawn. When you die, the balance of your account will be paid to your estate or beneficiary.

Member's Final Average Earnings means your average monthly earnings for the 48 continuous months (four years) of employment when your earnings were the highest. If you have less than 48 months of continuous employment, your Highest Average Earnings will be based on the time you actually worked in the 48 months before your employment ended.

Normal Retirement Date
The first day of the month immediately following your 65th birthday.

Old Age Security (OAS)
A government benefit that any person age 65 or older is entitled to receive after meeting certain minimum residency requirements.

Pension Adjustment (PA)
The value Canada Revenue Agency assigns to your benefit under the Pension Plan.

Pensionable Earnings
Your University salary. Pensionable Earnings are subject to Canada Revenue Agency maximums.

Pensionable Service
Pensionable Service means your years and months of service with the University, or affiliated employer, when you contributed to the Plan. Pensionable Service also includes any period after April 30, 1973, during which you received earnings from an approved rehabilitation program or benefit from the Short or Long Term Disability Plans. Pensionable Service for part-time employees is based on the ratio of hours worked to the hours that a full-time employee would have worked.

Registered Amount
Money is viewed as registered if the amount falls within Income Tax Regulations transfer limits. It can be transferred on a tax-deferred basis to a registered savings vehicle. Investment income is tax-deferred. Any withdrawals are taxable.

Registered Retirement Savings Plan (RRSP)
A tax-deferred retirement savings vehicle. Contributions are tax-deferred up to Canada Revenue Agency limits. Investment income is tax-deferred. Any withdrawals are taxable.

Spouse
A person who is either:

- Married to a member, or

- If a member is not married, a person with whom the member is cohabiting in a conjugal relationship at the relevant time and who has been cohabiting in a conjugal relationship continuously with the member as his or her spouse for at least one year prior to the relevant time.

Year's Maximum Pensionable Earnings (YMPE)
The earnings base used to determine Canada Pension Plan contributions and benefits. The level adjusts annually to keep pace with average wage increases in Canada.

This booklet briefly describes the University of Saskatchewan Non-Academic Defined Benefit Pension Plan. It is intended as a summary only. Full details are set out in the relevant legal Plan documents. You can review these documents by contacting the Pensions Office, Financial Services Division. In the event of any discrepancy, benefits will be paid according to the terms of the legal documents and government regulations.