Questions and answers about your retirement pension

Pension plans concerned: RREGOP and PPMP

You’re retiring from the public sector? Find out about this new stage of your life in order to make the best of it!
Do you have questions about your public sector retirement pension?

The information in this leaflet will help you find answers if you are a pensioner of the Government and Public Employees Retirement Plan (RREGOP) or the Pension Plan of Management Personnel (PPMP). If you are a pensioner of another pension plan we administer, we invite you to consult our website.

The information in this leaflet deals solely with matters of a general nature and does not replace the law or regulations governing your pension plan.

**Important**

This document does not include any possible amendments to the Pension Plan of Management Personnel (PPMP).
Will my pension be indexed?

Yes, on January 1 of each year according to the formula that applies to your situation and the periods during which you performed your recognized years of service. The rate of increase in the Pension Index (PI) is used to determine the amount of pension you will be paid each year. This rate, determined pursuant to the Act respecting the Québec Pension Plan, is based on the average Consumer Price Index of the preceding year.

The following table is a sample calculation of the indexation for each portion of your pension.

<table>
<thead>
<tr>
<th>Portion of your pension based on your years of service in the public sector</th>
<th>Annual pension before indexation</th>
<th>Rate applied*</th>
<th>Indexation</th>
<th>Annual pension after indexation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years of service before July 1, 1982 Indexed to the PI</td>
<td>$5 000</td>
<td>2%</td>
<td>$100</td>
<td>$5 100</td>
</tr>
<tr>
<td>Years of service from July 1, 1982 to December 31, 1999 Indexed to the PI minus 3%</td>
<td>$15 000</td>
<td>0%</td>
<td>$0</td>
<td>$15 000</td>
</tr>
<tr>
<td>Years of service since January 1, 2000 Indexed according to whichever is the most advantageous: 50% of the PI or the PI minus 3%</td>
<td>$12 000</td>
<td>1%</td>
<td>$120</td>
<td>$12 120</td>
</tr>
<tr>
<td>Annual pension payable on January 1</td>
<td>$32 000</td>
<td>+ $220</td>
<td>$32 220</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Example based on a 2% PI.

When I turn 65, my plan will be coordinated with the QPP. What does that mean?

During your career, you were entitled to an exemption from contributions to your public sector pension plan on a part of your salary because you were also contributing to the Québec Pension Plan (QPP). When you retire, the two plans complement each other in the same way your contributions did. Consequently, your public sector pension is reduced to take into account the pension paid by the QPP. This process is called coordination of your pension plan with the QPP.

Coordination with the QPP is provided for in the law governing your public sector pension plan, and generally applies as of the month following your 65th birthday.

For more information on the coordination of your pension and the terms of application, read the leaflet entitled Coordination of your public sector pension plan with the Québec Pension Plan (QPP), available on our website.

What deductions may be made from my pension?

Tax deductions

We are required by law to deduct the applicable federal and provincial income taxes from your pension. However, we take into account your basic personal tax credits or additional credits you request. You can have your personal tax credits modified if, for example, your spouse dies or one of your children is no longer a dependant.
We can also modify the tax deductions if you prefer. For this, you must complete and send us the two following forms, which you can access on our website:

- for federal income tax, the Personal Tax Credits Return (TD1) form;
- for Québec income tax, the Source Deductions Return (TP-1015.3-V) form.

If you wish to obtain more information on income tax please contact the Canada Revenue Agency or Revenu Québec, as the case may be.

Insurance premiums
We offer you the possibility to pay the premiums related to life, health or pharmacare insurance plans sponsored by a pensioners’ association by deducting them from your pension. Our role is limited, however, to making the deduction at the request of your insurer. Therefore, you must inform your insurer if you want the premiums to be deducted from your pension, even if they were previously deducted from your salary.

If you wish to cancel or modify a deduction or simply obtain information about the amount, you must contact your insurer directly. The insurer will inform us of any change to be made and will directly refund any amount that may be due.

Contributions to a pensioners’ association
Several associations of public sector pensioners offer their members the possibility of having their annual contribution deducted from their pension. Consult our website to find out if your association has such an agreement with our organization.

To have your contribution deducted at source, you must contact your association yourself.

Could my pension amount be adjusted?
As provided for in the public sector pension plans, the amount of your pension could be adjusted when your pension is revised or if your employer changes the participation data that was used to calculate it. For example, if your salary is increased by the payment of a retroactive amount, your pension could be adjusted after we are notified.

We will inform you in writing of any change in the amount of your pension. Please note that we usually have three years to adjust the amount of your pension downward.

What happens if I return to work?
If you are a RREGOP pensioner, you do not need to inform us if you are returning to work in employment covered by the RREGOP, PPMP or the Pension Plan of Peace Officers in Correctional Services (PPPOCS). You will not participate in the pension plan and your pension will continue to be paid to you in full.

However, you must inform us of your return to work and your decision to participate or not in the pension plan if:

- you are a PPMP pensioner and you are returning to work in employment covered by a public sector pension plan that we administer;
- you are a RREGOP pensioner and you are returning to work in employment covered by the Retirement Plan for Senior Officials (RPSO).

To this end, please send us the Return to Work of a Pensioner (202A) form, which is available on our website.
To be considered when returning to work

Your decision whether or not to participate in the plan may have repercussions on your retirement pension:

- if you decide not to participate in the pension plan, no contributions will be deducted from your salary, and your pension will be reduced in proportion to the service performed in your employment;
- if you decide to participate in the pension plan, contributions will be deducted from your salary and the payment of your pension will be suspended.

In all cases, we strongly recommend that, before making a decision, you obtain all the necessary information as to how a return to work might affect your pension.

How could a partition of the family patrimony affect my pension?

In most cases, when a public sector pension plan is partitioned, the Court grants 50% of the value of the benefits accrued during marriage or civil union to the spouse.

After payment of the sums granted, a reduction resulting from the partition is calculated on the basis of the sums paid to the spouse, which will reduce the amount of the benefits you will receive. Your pension will be reduced from the date of payment of the sums.

For more on the partition of the family patrimony and its terms and conditions, read the leaflet entitled *Partition of the Family Patrimony*, available on our website.
What benefits are payable at my death?

Your spouse will receive, on request, 50% of your QPP-coordinated public sector pension and your life annuity for pension credit service, if applicable. The percentage will be 60% if, on retiring, you chose to reduce your pension by 2%.

In addition, if you had acquired a pension credit, i.e. an amount we add to your pension following a transfer agreement or the transfer of a supplemental pension plan (SPP), in almost all cases, your spouse will also be entitled to 50% of that pension credit.

However, in the case of a pension credit resulting from a buy-back of service, we will refund your spouse or your heirs, by means of a single payment with interest, the amount paid for the buy-back, minus the sums already paid as pension credit, if applicable.

If you do not have a spouse at the time of your death, the difference between the contributions you paid, plus interest, and the benefits you received will be reimbursed to your heirs in a single payment with interest, if applicable.

To receive the benefits described in the previous paragraphs, your spouse or your heirs must send us the Application for a Survivor’s Benefit (081A) form, available on our website.

Can my spouse waive his or her rights?

Your spouse can waive his or her spousal rights in favour of your heirs, provided the spouse’s request is received before the date of your death. The waiver may later be revoked by notifying us in writing. Whether it be to waive his or her rights or revoke them, the spouse must complete the Notice of Waiver or Revocation form (161A), available on our website. If your heirs are not entitled to any amount upon your death, the waiver will be cancelled to enable your spouse to receive a surviving spouse’s pension upon request.

How to apply for direct deposit?

You can sign up for this fast and secure mode of payment at any time at the financial institution of your choice.

To this end, please inform us of your decision using the Application for Direct Deposit in a Financial Institution Located in Canada form (100A) or the Application for Direct Deposit Outside Canada form (118A), available on our website. You must attach a void specimen of a personalized cheque.

We will deposit your public sector retirement pension on the 15th of each month or, if the 15th is not a working day, the last working day preceding that date.

By opting for direct deposit, you will receive at the beginning of each year a document entitled Statement of Deposits, which details the payments and deductions for the previous year and for January of the current year.

Your spouse is the person to whom you are married or with whom you are in a civil union, or the person of the opposite sex or the same sex whom you present as your de facto spouse and who, at the time of your death, has been living with you in a conjugal relationship for at least three years. That period is one year if a child is born or will be born of your union; or if, during your union, a child was jointly adopted by you and your spouse, or if one of you adopted the child of the other. To be recognized as such, the spouses must not be married to, or in a civil union with another person.

Please note that legal separation does not result in the loss of the status of spouse, unless the value of the benefits accrued in the public sector pension plan was taken into consideration for the partition of the family patrimony.