



National Transfer Agreement

As an active member of the Public Service Pension Plan (PSPP) with benefit entitlements in one of the registered pension plans listed below, you may have the option of transferring your former pension plan service into PSPP under the transfer agreement between these plans (the National Transfer Agreement).

The National Transfer Agreements allows for transfers into PSPP from the following registered pension plans:

- British Columbia College Pension Plan
- British Columbia Municipal Pension Plan
- British Columbia Public Service Pension Plan
- British Columbia Workers' Compensation Board Superannuation Plan
- British Columbia Teachers' Pension Plan
- Manitoba Civil Service Superannuation Fund
- Newfoundland and Labrador Public Service Pension Plan
- Nova Scotia Public Service Superannuation Plan
- New Brunswick Public Service Superannuation Plan
- Ontario Pension Board
- Ontario Public Service Employees Union Pension Plan
- Prince Edward Island Civil Service Superannuation Plan
- Province of Quebec (La Commission administrative des régimes de retraite et d'assurances)

Am I eligible to transfer under the National Transfer Agreement?

In order to be eligible to transfer your benefit entitlements from your former pension plan into PSPP you must meet the following criteria:

- You have ceased participating in your former pension plan and have left your benefit entitlements in that plan;
- You are not entitled to an unreduced pension under your former pension plan as of the date you are applying to transfer; and
- You are currently participating in PSPP and have been a participant of PSPP for at least 20 working days as of the date you are applying to transfer.

How do I apply to transfer?

If you meet all the eligibility criteria above, you can request a transfer package by submitting an *Appendix A - Transfer Information Request and Authorization Form*. Please note that your transfer application must be received by our administrator, Alberta Pensions Services Corporation (APS) within one year of the date you join PSPP for it to be valid.



How does a transfer work?

Each pension plan has its own benefit formula and contribution rates. APS will calculate the cost of crediting all of your former pension plan service in PSPP. That cost will be compared to the value of your benefit under your former pension plan. The amount of your former pension plan service that can be credited under PSPP will be determined considering these two values.

If the amount required by PSPP is less than or equal to the amount available from your former pension plan, you will receive full credit for your former pension plan service under PSPP. If the amount required by PSPP is greater than the amount available from your former pension plan, a transfer shortfall will exist and you will receive partial credit for your former pension plan service under PSPP.

APS will send you a transfer package which will include information such as:

- the amount available for transfer from your former pension plan,
- the amount required by PSPP,
- the amount of service that will be credited under PSPP as a result of the transfer,
- the estimated Past Service Pension Adjustment (PSPA) associated with the transfer,
- whether a transfer shortfall exists and how to request more information about purchasing your transfer shortfall, and
- how to elect to transfer, and when your transfer election is due.

If you elect to proceed with the transfer, you will no longer be entitled to any benefit from your former pension plan. Furthermore, your benefit will be determined in accordance with the terms and conditions of PSPP.

Once the transfer is complete, any service credited in PSPP as a result of a transfer will be treated as though it had always been service under PSPP and will maintain the historical salary and contribution details as they existed under your former pension plan.

If you request more information about purchasing your transfer shortfall, you will be sent a Buyback Proposal. If you elect to purchase your transfer shortfall service, that service will be treated as though it were purchased prior service under PSPP. For more information about what to expect on your Buyback Proposal, please see the PSPP information sheet, *Buying Prior Service*.

How will transferring service into PSPP affect my pension?

Transferring your former pension plan service into PSPP will increase your PSPP pensionable service. This means that your future PSPP benefit will be higher and you might be able to retire with an unreduced PSPP pension sooner.



You can estimate how transferring service into PSPP might affect your pension by using the online Pension Estimator:

1. Visit www.pspp.ca
2. Click on *Members*, and then *Complete a Pension Estimate*
3. Run two pension estimate calculations:
 - One with only your PSPP service
 - One that includes your PSPP service and the service you can transfer in from your former pension plan

Compare these two estimates to see how transferring service into PSPP can affect your pension. You should also consider the impact that a PSPA might have on your RRSP contribution room. You may wish to consult with someone in the financial planning industry for advice.

What are the tax implications of transferring into PSPP?

For service after 1989, the tax rules require that you have adequate RRSP room to allow for the certification of any PSPA that arises as a result of a transfer into PSPP. This PSPA represents the value allocated by the Canada Revenue Agency (CRA) to the increase in the value of the benefit associated with any such service credited under PSPP, and will reduce your RRSP contribution room.

If applicable, your transfer package will provide you with the PSPA associated with the transfer. Please make sure you understand how this PSPA may affect your ability to transfer into PSPP.

How will transferring service into PSPP impact my pension reduction?

To receive a PSPP pension, you must be vested and at least 55 years of age. You can retire with an unreduced pension starting at age 65 regardless of how long you have been a member of PSPP. However, if you retire between 55 and before 65, your pension may be reduced.

- To retire with an unreduced pension, you must be at least 65 years of age, or your age plus your years of pensionable service must equal at least 85 (we refer to this as having 85 points).
- If you retire early – at any age between 55 and 65 – with fewer than 85 points, your pension will be reduced by three per cent per year for each year you are short of age 65 or 85 points, whichever is less.

Transferring service into PSPP will increase your pensionable service. For each year of service credited under PSPP because of a transfer, you will be one point closer to reaching 85 points.



This document provides general information only. Should anything in this document conflict with governing legislation, the latter shall apply.

Alberta Pensions Services Corporation (APS) proudly serves PSPP and provides responsive and focused member service on behalf of the Plan. If you need more information, please contact APS through the Member Services Centre.

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