

## Overview & Frequently Asked Questions

(For Pension Fund Members – Updated September 2022)

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## Contribution Items

### How can I check my account information?

Your contribution history is available to you at any time via the [Pension Portal](#). You must first register to use the pension portal.

Once within the portal:

- Use the drop-down arrow to access “Contribution History”.
- Enter the date parameters, then scroll down to click on the “Apply” tab.
- To generate a printable report, click on the drop-down arrow beside “Actions” and choose “pdf” and save and/or print.

[Report Viewer - Pension Member Contribution Report-](#)

Actions ▾ |  |  |  | 1 of 1 |  |  |  |

### Why is there a mandatory minimum percentage of contribution?

- Regulated by the Financial Services Regulatory Authority (FSRA), the PAOC Pension Fund must adhere to the rules and regulations FSRA imposes, which includes a mandatory minimum percentage of contribution.
- The purpose of setting a minimum percentage of contribution is to ensure that a pension plan member saves an adequate amount to provide a comfortable and secure pension by the time of retirement.

**What if my employer sets a maximum percentage of contribution to my pension plan that is below the required minimum percentage of the PAOC Pension Fund?**

- Unfortunately, if the employer refuses to match a member contribution at least at the minimum percentage, contributions towards the pension plan must cease.
- The only exception for a member to contribute below the minimum percentage is if they can supply yearly proof that they are contributing to another pension plan or an RRSP (not a GIC) to at least the minimum percentage of their salary.

#### **Can I make a lump sum transfer into my pension plan from another pension plan or savings account?**

- Lump sum transfers from existing savings plans are not permitted.

#### **Can I make up for the years that I was not able to contribute towards my pension while I was with a non-participating employer?**

- Only current year contributions are permissible.
- To make up for non-contributing years, you could increase the level of contribution with your current employer up to the maximum of a 10%-member contribution, providing the new employer is one of our participating Defined Benefit (DB) plan employers and agrees to match the amount.

#### **Can I contribute during a leave of absence?**

##### A Legislated Leave of Absence

- If it is a legislated leave, according to *The Employment Standards Act* (maternity leave, medical absence), an employee's benefit package must continue, and pension contributions are considered part of a benefit package.
- The exception is if an employee does not wish to contribute their portion. In this case, the employer is not obligated to make contributions.
- If the employer wants to cover both portions (member + employer contributions) during the leave of absence, they should do so at least at the combined minimum percentage.
- If a member takes a paid study leave, contributions can be accepted during this period. For instance, if a government grant is received, the member can remit a portion of it to their employer, who would match the amount and send to the Pension Plan on the member's behalf.

##### An Unpaid Leave of Absence

- During an unpaid leave of absence, a member can stop contributing and then start again once they are receiving income again.
- Contributions can be accepted during this period, but the employer must report things correctly on the T4.
- For a non-legislated leave, such as a study leave, it is between the employee and employer as to whether pension contributions continue during this period.

#### **Can I make pension contributions from EI received?**

- It is acceptable to make pension contributions from unemployment insurance income received. In this case, you must contribute both the employee and employer portion, at least at the minimum percentages.

- Once the EI ends, and if you are still not employed by a participating employer, then pension contributions must cease.

### **Can I continue to contribute with a non-PAOC employer?**

- We can accept contributions if:
  - a) You are a credential holder, with your district's approval to keep your credentials while working for the non-PAOC employer; and
  - b) Your new employer is willing to sign a Participating Employer Agreement.
- If at any time you relinquish your credentials while working for a non-PAOC employer, we will no longer be able to accept pension contributions.
- If you are a non-credential holder, we are unable to accept contributions on your behalf from any non-PAOC affiliated employer.

## **Death Benefits**

### **What happens to my pension if I die before retirement?**

#### Married members

- If you die prior to receiving your first pension benefit, your spouse will receive an annual pension in the amount of 2/3 of the pension you accrued to the date of your death, which will continue throughout the spouse's lifetime.

#### Single members

- If you die prior to receiving your first pension benefit, your appointed beneficiary or estate will receive a refund of contributions with accumulated interest and a lump sum payment equal to the value of the accrued pension.

### **Who becomes the beneficiary if my spouse dies prior to my retirement?**

- If your spouse dies prior to your retirement, you can designate another beneficiary.
- Should you remarry prior to starting your pension, the new spouse automatically becomes your beneficiary.

### **What happens to my pension, as an unmarried person, if I die after retirement?**

- Your pension is guaranteed for five years. If you die prior to the completion of this guarantee period, our actuary will perform a calculation for your beneficiary. The beneficiary or estate will receive a lump sum amount equal to the present value of all future remaining payments.
- If you die after the five-year guarantee period, your pension will cease.

### **What happens to my pension, as a married person, if I die after retirement?**

- If you chose a pension option at the time of retirement that included a lifetime spousal pension for your eligible spouse\*, then he/she will receive a lifetime pension upon your death according to which benefit option you chose.  
(\* An eligible spouse is the spouse you were married to at the time of your retirement.)

## Life Changes

### Disability

#### **If I become disabled, how would I know if I qualify to receive a disability pension from the PAOC Pension Fund?**

- You may qualify to receive a disability pension from the PAOC Pension Fund if your disability is total and permanent or if you have a terminal illness with a shortened life expectancy.

#### **How do I apply for a disability pension?**

- If you already received acceptance to receive a CPP disability pension, this is considered sufficient proof of total and permanent disability for us to request our actuary to prepare a calculation for a PAOC disability pension.
- If confirmation of a CPP disability pension has not yet been obtained, then we require a doctor's note that confirms your total and permanent disability or shortened life expectancy. Consideration of your request to receive a disability pension will then be reviewed by the Pension Fund Board of Trustees.

### Separation and Divorce

#### **If I remarry, how would I make my new spouse my beneficiary?**

- We will require a copy either the death certificate or divorce paperwork from the former spouse.
- We then need the following information to make the new spouse your beneficiary:
  - a) The spouse's full legal name
  - b) S.I.N.
  - c) Date of birth
  - d) Date of marriage

#### **Would my former spouse have any claim on my pension?**

- Divorce paperwork usually details how any assets, including a pension plan, are to be divided.
- If there is no paperwork to prove that there is no claim on your pension, then there is no time limit for a former spouse to make a claim on your pension.

#### **Should my former spouse make a claim on my pension, what do I need to do?**

- If your former spouse is making a claim on your pension, you will need to contact us to request a formal Valuation of your pension from our actuary.

### Retirement Items

#### **Can I retire before age 65?**

- Early Retirement is an ancillary benefit of the DB pension plan. To start to receive an early pension any time after age 55, we require proof of your end of employment with your employer. A copy of your Record of Employment (ROE) is preferable.
- Note that an early pension will be actuarially reduced by ½ of 1% for each month prior to age 65.

#### **Can I continue to contribute towards my pension after age 65?**

- If you are employed with a participating employer who is willing to match your contributions, at least at the minimum required percentage, you can continue to contribute towards your pension. The latest you can delay receipt of your pension is December in the year in which you turn 71.

#### **How does my pension grow if I continue to work and remit contributions past age 65?**

- The benefit rate on contributions received is 10%. Example: If you continue to work and contribute towards your pension for an additional year, remitting \$10,000 in total contributions, you will accrue \$1,000. The accrued amount (\$1,000) divided by 12 months of the year will add approximately \$83.33 to your lifetime monthly pension.

#### **Is there any benefit to delaying receipt of my PAOC pension after age 65 if I am not actively contributing?**

- There is no financial benefit to delaying receipt of your pension past age 65 if you are not contributing towards it. The pension amount does not increase.
- Also, it is important to note that your pension can only be backdated to the start of the current calendar year. If you are no longer contributing towards your pension and are over age 65, it is in your best interest to contact us as soon as possible to start to receive your pension benefit.

#### **Is my pension indexed after retirement?**

- The pension plan is not an indexed plan, meaning that a yearly Cost of Living Allowance (COLA) is not automatic.
- The Pension Fund Board of Trustees, in consultation with our actuary, conduct an annual review of the plan to determine if it is in a financial position to offer a COLA. Pension recipients are notified by mail or email of the Board of Trustees' decision.

#### **If I am a non-resident of Canada, can I receive my pension in the currency of my place of residence?**

- The pension benefit can be deposited into a Canadian bank account, or a cheque in Canadian funds only can be mailed to your physical address.

## **Tax Items**

#### **Do I receive anything from the Pension Fund to complete my taxes?**

Active contributing members

- Your pension contribution is considered a tax deduction.
- The T4 provided by your employer should include information about your pension contributions in the following boxes:  
Box 20: The total pension contributions deducted from your pay in the tax year.  
Box 50: The total of both your contributions and employer contributions for the year.  
Box 52: Our Pension Plan registration number: 0354480.

#### Pension Recipients

- All pension recipients residing in Canada will receive a T4A for tax purposes. T4As are mailed in February.
- Pension recipients residing outside of Canada will receive an NR4.

#### **Is my pension taxed at source?**

- The monthly pension benefit received is not automatically taxed at source.
- To request tax deducted at source, simply send us a letter or an email stating the percentage you want deducted from your monthly pension. This amount will then be remitted to the Canada Revenue Agency (CRA) on your behalf.

#### **Non-residents**

- The monthly pension benefit is automatically taxed at source and remitted to the CRA.
- A non-resident who wants to appeal the percentage of tax deducted should contact CRA directly. CRA will then notify us if any change to the percentage deducted is to be made.