

Pension Plan



for Non-Teaching Employees
of Public School Boards
in Manitoba

June 2007
www.mast.mb.ca

If you have any questions about the Plan, your first source of information should always be this Plan Summary. If you need further information, you should contact your school division office. Additional assistance is also available from

Craig Wallis
The Manitoba School Boards Association
191 Provencher Boulevard
Winnipeg, Manitoba R2H 0G4
Telephone: 233-1595 or
1-800-262-8836 (Outside Winnipeg)

If you need more assistance when terminating, you can contact

James Ralko
Mercer Human Resource Consulting
1410 - One Lombard Place
Winnipeg, Manitoba, R3B 0X5
Telephone: (204) 934-4847

For assistance when retiring and planning your retirement benefits, you can contact

James Ralko
(Retirement Counsellor)
Mercer Human Resource Consulting
1410 - One Lombard Place
Winnipeg, Manitoba, R3B 0X5
Telephone: 957-7340
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TO ALL MEMBERS

This Plan Summary was prepared to explain the principal features of the Manitoba Association of School Trustees (MAST) Pension Plan for Non-Teaching Employees of Public School Boards in Manitoba. The Plan became effective August 1, 1974. Please read the Plan Summary carefully so that you will fully understand the extent of your pension and other benefits provided by the Plan.

A more detailed description of the Plan appears in the official Plan Text, a copy of which is available for your inspection at the office of your school board or at the office of the Manitoba Association of School Trustees (MAST). In the event of any conflict between this booklet and the Plan Text, the Plan Text will govern.

Pension Trustees have been appointed to oversee all aspects of administration and investment of the Pension Plan.

Benefits under the MAST Pension Plan are in addition to Canada Pension Plan benefits and Old Age Security benefits. For your information, some basic information about these government benefits and also personal savings in a registered retirement savings plan, are included in the final sections of this Plan Summary.

As at December 31, 2006, there were 7,776 active and 1,500 deferred members in the Plan.

PLAN SUMMARY (as at June 2007)

EFFECTIVE DATE

The Plan took effect on August 1, 1974. Plan anniversaries fall on each January 1.

ELIGIBILITY

As a result of current pension law in Manitoba, the question of eligibility to participate in the MAST sponsored Plan is quite complex. In deciding upon your own eligibility, the first question to be asked is whether or not you are in a class of employment whose members participate. If you are in such a class of employment, then whether you are full-time or part-time does not matter. Part-time employees **must be eligible** for Plan membership on the same basis as full-time employees if this is the only distinction between them.

For example, if in a particular division there are both full-time and part-time clerical staff, none of whom are organized, then it would not be permissible to exclude part-time clerical staff since no legitimate distinction exists. If, on the other hand, in a particular division some clerical staff are members of a bargaining unit while others are not then this would place them in different classes of employment and as such would be a legitimate distinction.

Once you have established whether or not you are in an eligible class of employment, the second question to be asked is whether or not you were hired before or after January 1, 1984. This date is significant because the eligibility rules changed on that date.

If you are in an eligible class of employment and were hired on or **after January 1, 1984**, you **must** become a member upon completion of one year of service unless you earn less than 25% of the Yearly Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan. In 2007, this earnings test is \$10,925. If you earn less than this figure, then you **may** join the Plan if you wish; however, you are not required to join. The division must provide you with this option.

If you were hired before **January 1, 1984** there are two different rules. First, if you had met the earnings test (25% of the YMPE) as stated above, then you **must** become a member of the Plan on the earlier of completing 3 years of service or completing 1 year of service and attaining age 25. Second, if you were initially excluded from the Plan on the basis of being part-time then you **may** become a member of the Plan upon completion of 1 year of service.

Please note that if your School Division elects to participate in the MAST Plan after you have already been hired then you can not be forced to join the Plan. Of course you continue to retain an option to join the plan if you are eligible at any future date without retroactive benefits.

An employee who has become a member, then terminates or retires and is later re-employed with a participating School Division, shall be treated as a new employee for the purpose of eligibility for membership and benefits under the Plan.

An employee who is either a member of a religious group where one of its articles of faith is the belief that their members are precluded from being members of a pension plan or a student on a substantially full-time basis are not required to become a member of the Plan.

RETIREMENT DATE

You may begin receipt of your pension upon retirement anytime after age 50 and before the end of the calendar year in which you attain age

71. Please note that you must terminate employment if you wish to start receiving pension income prior to age 65. Age 71 is the latest retirement age permitted under the Income Tax Act. In the year in which you attain age 71, you will have to stop participating and cease payroll deductions to the Pension Plan by November 1 at the latest, in order to allow time to start your pension income prior to December 31.

Upon attainment of age 65, should you continue employment with your School Division, you will have the right to discontinue contributions and either begin receipt of your pension or defer receipt to a later date. Should you instead elect to continue to contribute after age 65 your School Division will also contribute a matching contribution on your behalf.

EMPLOYEE CONTRIBUTIONS

During each year of membership you will contribute to the Plan a percentage of your salary, less your contributions for that year to the Canada Pension Plan. Contributions are calculated on your regular salary or wage, excluding bonuses or other remuneration. The percentage varies according to your age at the beginning of the Plan Year (January 1), in accordance with the following table:

Members Attained Age at Beginning of Plan Year	Percentage of Salary* During the Plan Year
less than 44	9.65%
45 – 49	10.15%
50 – 54	10.65%
55 – 59	11.15%
60 – 64	11.65%
65 – 69	9.0%

* Income Tax rules limit your contributions, net of your CPP contributions, to 9% of your salary. Prior to age 65, your contribution rate can be more than 9% as long as your CPP contribution reduces your net contribution to the Plan to 9% or less. After age 65, your CPP contributions normally cease, in which case your contributions to the Plan will be at the maximum 9% rate.

For example, a 56 year old employee earning a salary of \$40,000 would make the following contribution in 2007:

11.15% x \$40,000	=	\$4,460
Less CPP contribution		<u>(\$1,807)</u>
Required contributions MAST Plan	=	\$2,653

Once you have joined the Plan, you must continue to contribute even if you become part-time or your earnings drop below 25% of the YMPE.

In addition to your required contributions you may, subject to the limits, contribute additional amounts by payroll deduction to provide extra pension. These additional contributions will not be matched by the School Division. Should you wish to make voluntary contributions please contact the payroll department at your division.

Your contributions are tax deductible and the maximum you may contribute each year (including any additional voluntary contribution) is limited. The sum of your contributions and the School Division's contributions on your behalf each year are limited to 18% of your salary for the year. Also, these contributions must not exceed the Money Purchase Limit prescribed by the Federal Government.

Tax Year	Money Purchase Limit
2007	\$20,000
2008	\$21,000
2009	\$22,000
2010	Indexed

The sum of your contributions and the School Division's contributions on your behalf will be reported on your T-4 slip as your Pension Adjustment (PA) for the year. Your Pension Adjustment is used to determine how much you are permitted to contribute to an RRSP in the following year. For example, your 2006 PA is used to determine how much you are permitted to contribute to an RRSP in 2007.

TRANSFERS TO THE MAST PENSION PLAN

You may also elect to transfer funds from another registered pension plan or your registered retirement savings plan into the Plan. For administrative purposes these funds will be considered as additional contributions. However, you will not have access to these funds transferred in until termination, death or retirement. Locked-in restrictions will continue to apply to any locked-in funds transferred in, and funds transferred in from a registered retirement savings plan may be taken as a cash refund or transferred to a registered retirement savings plan upon termination, death or retirement.

SCHOOL DIVISION CONTRIBUTIONS

Your required contributions will be matched equally by the School Division. In addition, the School Division will contribute additional amounts necessary to pay all costs of administration for active members of the Plan and to provide the Disability Waiver of Contribution benefit.

INVESTMENT OF CONTRIBUTIONS

Your contributions and those of the School Division on your behalf will be invested in a fund managed by professional investment managers. All investments of the fund are made in accordance with legislation governing the investment of registered pension funds and the MAST Pension Plan "Investment Objective and Policy Statement".

UPDATING YOUR PENSION ACCOUNT

The pension fund's rate of interest is determined at each Plan Year end (December 31) based on the Plan's investment earnings using the market value of the pension fund. Interest is credited at this rate to the balance in your pension account at the beginning of the Plan Year and to the contributions made to your pension account during the Plan Year from the end of the month in which they were made.

INTEREST FOR PARTIAL YEARS

If it is necessary to determine your pension account at a date other than the Plan Year end, your pension account will be credited with interest for the period from the most recent Plan Year end (December 31) to the date of payment from the pension fund at a rate **not less** than 1/2% per month.

It is important to understand that if you transfer your account balance out of the MAST Pension Plan, either on termination or retirement, the following will apply:

- (a) For transfers processed during the Plan Year
If your account is transferred out of the Plan during a calendar year, even in late December, the "Interest for Partial Years" described above will apply for the **entire period from the beginning of the Plan Year**.

- (b) For transfers processed early in a Plan Year
If your account is transferred early in the Plan Year, the "Interest for Partial Years" described above will continue to apply until the Pension Trustees determine an **estimated interim fund rate of return for the previous Plan Year** (usually mid-January).

(c) For transfers processed after mid-January

Once the **estimated interim fund rate of return** is determined, your account balance will be updated using this estimated interim rate for the previous Plan Year and then the “Interest for Partial Years” from January 1st of the current Plan Year to the date your account is transferred. This interim interest rate can be higher or lower than the 1/2% per month depending on the fund’s actual performance for the year. So the timing of your transfer is very important and is dependent upon when the School Division provides notification to the administrator, Mercer Human Resource Consulting. If you have any questions, please call the Retirement Counsellor.

HOW THE GUARANTEED ACCOUNT WORKS

The “Guaranteed Account” was established January 1, 1994 to provide a guaranteed rate of return for members age 55 and over as they approach retirement. If you are age 55 at the beginning of a calendar year your Guaranteed Account is started. Interest is allocated to your Guaranteed Account each year based on 91 Day Treasury Bills, and the balance is reported on your annual pension statement. Upon death, termination or retirement after age 55, you receive the **greater** of:

- (a) your account balance based on the Fund rate of return; or
- (b) your guaranteed account balance on the 91 Day Government of Canada Treasury Bill rate.

It is important to understand that the comparison is only done at termination, death or retirement, and is not compared year by year.

EXAMPLE OF GUARANTEED ACCOUNT

- (a) Member is age 55 on January 1, 2002.
- (b) Account balance is \$40,000 at January 1, 2002.
- (c) Assume no further contributions.

Dec. 31	Age	Guaranteed Account		Fund Return	
		Rate	Account	Rate	Account
2002	56	2.55%	\$41,022	-4.62%	\$38,152
2003	57	2.85%	\$42,192	12.49%	\$42,917
2004	58	2.22%	\$43,129	9.21%	\$46,872
2005	59	2.85%	\$44,872	12.31%	\$52,644

Bold print indicates which amount the member would have received if he or she had retired or terminated at the end of each year in the example.

OPERATING COSTS OF THE PLAN

In addition to matching your contributions to the Plan, each School Division pays 1.2% of payroll to cover:

- (a) administration costs (including investment management fees for the fund); and
- (b) the cost of the Disability Waiver of Contribution benefit.

Terminated employees who leave their account balance in the Pension Fund will be charged a portion of the administration costs and investment management fees which will be deducted from their account balance.

The annual charge is \$30 plus 0.5% (1/2 of 1%) of the account balance.

For active employees, the extra contribution by each School Division is used to cover all costs of operating the Plan.

RETIREMENT PENSION

At your retirement date, your contributions and your School Division's contributions made on your behalf, plus investment income, will be applied to provide retirement income on your behalf.

In addition, the value of any voluntary contributions you may have made or other monies transferred from other registered plans will be used to provide additional retirement income.

If you are within one or two years of your anticipated retirement date, you may contact the retirement counsellor at Mercer Human Resource Consulting and request a quotation of your pension entitlement and options on retirement.

FORMS OF PENSION

The normal form is a pension for life but guaranteed for 120 months (10 years) in any event. A full range of optional forms of pension is available to suit your individual needs. These include, but are not limited to, the following:

- (a) a lifetime pension guaranteed for 15 years in any event;
- (b) a pension payable for your lifetime and continuing in whole or in part to your Spouse after your death for the lifetime of your Spouse;
- (c) a pension integrated with the Canada Pension Plan and Old Age Security to provide you with a total level pension from all sources, should you elect to retire before your government pensions begin.

As a result of provisions in the Manitoba Pension Benefits Act, members who have a Spouse at their retirement date are required to provide a 66 2/3% survivor benefit for their Spouse. The provision of this additional benefit will reduce the pension that the member would otherwise receive

under the normal form of pension. If a given individual and his/her Spouse agree that such a survivor benefit is unnecessary then they may jointly waive this requirement.

Definition of Spouse

Your spouse is the person who, at the date a determination of spousal status is required:

- a) is married to you; or
- b) has registered a common law relationship with you under Section 13.1 of the *Vital Statistics Act* and is cohabiting with you at the relevant time; or
- c) is not married to you or is not your registered common law partner described in b) above, but has cohabitated with you in a conjugal relationship in the immediately preceding period:
 - i. for a period of at least three years, if either of you is married; or
 - ii. for a period of at least one year, if neither of you is married.

TRANSFER OF PENSION ACCOUNT

In lieu of purchasing a life annuity directly from an insurance company at retirement, you may elect to transfer the value of your account to a locked-in retirement account (LIRA). Government legislation does not permit registered pension funds to be invested in a Registered Retirement Income Fund (RRIF). However, the Manitoba Pension Benefits Act permits you to transfer your registered pension funds to a Life Income Fund (LIF), a Locked-In Retirement Income Fund (LRIF), or to another registered pension plan.

LIRA's, LIF's and LRIF's are available from authorized financial institutions. Under these arrangements, you direct the investment of your funds; however, investments must comply with those permitted under the Income Tax Act.

Locked-In Retirement Account (LIRA)

A LIRA is essentially the same as a locked-in RRSP, with minor differences. A LIRA is a holding account for locked-in funds to accumulate on a tax-sheltered basis and does not provide immediate income. Withdrawals are **not** permitted.

Funds in a LIRA ultimately must be used to purchase a life annuity or be transferred to a LIF or LRIF to provide retirement income. Funds must be transferred from a LIRA prior to the end of the calendar year in which you turn age 71.

Life Income Fund (LIF)

A LIF is a retirement income vehicle. You **must** be paid an income from your LIF fund each year except for the first year of the contract.

Upon retirement you have the option to transfer your locked-in account balance in the MAST Pension Plan to a financial institution to provide a LIF (Life Income Fund). The LIF allows some flexibility in the amount of income you receive in any given year. You maintain control of the principal and make the investment decisions for your LIF account. Each year you decide how much you wish to withdraw, subject to a legislated minimum and maximum amount. Payments in future years would be dependent on the investment earnings on your fund and the underlying prescribed interest rate used to determine the maximum payment. You may purchase a life annuity from an insurance company with the balance in your LIF account at any time, or transfer the remaining balance to an LRIF.

Locked-In Retirement Income Fund (LRIF)

You also have the option upon retirement to transfer your locked-in account balance in the MAST Pension Plan to a financial institution to provide a Locked-In Retirement Income Fund (LRIF). The LRIF is similar to the LIF option except the maximum payment amount is different.

The maximum withdrawal in the first year of the contract is 6.0% of the value of funds transferred to the LRIF. The maximum payment in the following years is related to the investment income earned in the previous calendar year. The LRIF income paid in any year cannot be less than the minimum amount from a RRIF. The financial institution holding your LRIF will advise you of the minimum and maximum amounts each year.

The LRIF option also provides flexible income but there may be more volatility in the annual retirement income from an LRIF versus the retirement income from a LIF. The LRIF allows you to maintain control of your funds at all times and provides the ability to change both the underlying investments and thus the income rate, within certain limits. Along with this flexibility comes greater uncertainty with regard to the amount of income which will be available each year from your LRIF. If your underlying investments decreases during a year, your withdrawal amounts next year will also decrease since your withdrawals are calculated based on the investment income earned in the previous calendar year.

You are not irrevocably committed to this form of income. You may transfer the remaining balance from your LRIF to purchase a life annuity at any time or transfer the remaining account balance to a LIF.

Prescribed Registered Retirement Income Fund (RRIF)

Legislation in Manitoba now allows a LIF or LRIF contract owner who is at least the age of 55 to apply for a one-time transfer of up to 50% of their funds under a LIF or LRIF to a Prescribed RRIF that is not subject to any limitations.

A RRIF has no legislated maximum limit on the amount of income that can be withdrawn each year. It provides you with greater income flexibility. Each year you decide how much you wish to withdraw subject to a legislated minimum amount.

MAST Group Plan for LIF/LRIF and Prescribed RRIF

Mercer Human Resource Consulting has negotiated a Group LIF/LRIF and Prescribed RRIF arrangement to provide members with **more flexibility** and **lower fees** than individual plans, for those who wish to select this form of retirement payment.

Under the Group Plan, the investment management fee on market based funds is generally lower than what is available to you on an individual basis from a financial institution because it is being offered on a group basis to MAST Plan members and their spouses. In retail plans that offer Mutual Fund type investments, this fee is called the Management Expense Ratio (MER) and is described in the prospectus. A financial advisor may also charge additional fees.

You should note that the investment management fee is the **only** fee deducted from your account in the Group Plan. Retail plans available from financial institutions may charge additional fees other than the MER, such as administration fees, commission related or deferred sales charge. **Please ensure that you are well aware of all the fees before selecting where to transfer your funds.**

The Group Plan can also accept unlocked funds in an RRSP/RRIF so that you can use the Group Plan for all of your retirement funds.

REGISTERED PENSION PLAN

If you have terminated from the school division and accepted employment with a new employer which offers a registered pension plan, you may have the option of transferring your account from the MAST Pension Plan to your new employer's pension plan. Please check with your new employer regarding this option.

If you have accepted employment in a teaching position and are employed with the same school division, your MAST pension account cannot be transferred from the MAST Pension Plan. Transfers will be allowed if employed by another school division.

DEATH BEFORE RETIREMENT

If you die before retirement and you have no Spouse or Common-law Partner, your designated beneficiary or estate will receive a lump sum payment of 100% of your contributions and the School Division's matching contributions made on your behalf with all investment income earned on these contributions.

If you have a Spouse or Common-law Partner, the death benefit must be paid in the form of a lifetime income to comply with Manitoba Pension legislation. Your Spouse or Common-law Partner may elect to receive an immediate pension or transfer the lump sum value to a locked-in retirement account (LIRA), life income fund (LIF), or locked-in retirement income fund (LRIF), as described in the "Transfer of Pension Account" section. If you have service prior to January 1, 1985 and you name a different beneficiary than your Spouse or Common-law Partner, then your beneficiary will receive the benefit for service before January 1, 1985 and your Spouse or Common-law Partner will receive the remainder.

TERMINATION OF EMPLOYMENT

If you leave the Division after age 50 or after completing at least two years of service or membership in the Plan, you are entitled to receive your accumulated contributions, including interest, plus the School Division's matching contributions on your behalf.

The availability of a cash payment of your pension monies upon termination may be restricted by the Pension Benefits Act of Manitoba. Rules restricting cash payments are designed to protect employees from reaching retirement age without having a pension. Over the years, the rules have changed, however because the rules represent a restriction on the employee's freedom of choice, they have been applied only with respect to future contributions when a change had been made. As such, there are 3 different rules applicable to various periods of service.

Service Prior to July 1, 1976

Cash refunds are unrestricted with respect to contributions made in this period.

Service from July 1, 1976, to December 31, 1984

For members who are at least 45 and have completed 10 years of service at termination of employment, cash refunds are restricted to 25% of total member and School Division contributions made in this period. Members who do not meet these criteria are unrestricted.

Service from January 1, 1985

For members who have completed at least 2 years of service or membership in the plan, cash refunds of contributions made in this period are unavailable (unless your benefit will provide a pension benefit of less than the required minimum under Manitoba Pension Legislation as determined by the Administrator of the Plan).

If you have completed less than 2 years of service or membership you will not be entitled to employer contributions made on your behalf unless you have attained age 50.

It should also be noted that, even though cash refunds may be restricted, an employee who terminates would still retain the right to transfer their account to another pension plan or to a locked-in retirement account (LIRA). Refer to the “Transfer of Pension Account” section for more details on this option.

Voluntary contributions are not subject to lock-in restrictions and may be taken as a cash refund or transferred to an unrestricted RRSP upon termination.

EMPLOYEE INFORMATION

Within 6 months of the end of each Plan Year, members of the Plan will receive a statement of their benefits under the Plan. Such a statement will show the member's contributions as well as the School Division's contributions on the member's behalf. All members of the Plan are also entitled to receive the Annual Report by October 31 of each year.

MARRIAGE BREAKDOWN

In Manitoba, when a legal marriage or a common-law relationship between Common-law Partners is dissolved by a written separation agreement or court order, the pension credits are divided between the Spouses or Common-law Partners. Therefore, 50% of the value of the benefit earned for service during the relationship will be paid to the Spouse or Common-law Partner. This payment will be transferred to another registered pension plan to which the Spouse or the Common-law Partner belongs or to a locked-in retirement account (LIRA), a life income fund (LIF), or locked-in retirement income fund (LRIF) as described in the "Transfer of Pension Account" section. In any case, the payment must be used to provide some form of lifetime income to the Spouse or Common-law Partner.

You and your Spouse (either legal or Common-law Partner) may agree, by signing the prescribed form, to opt out of this division of pension benefits. Both parties must receive independent legal advice with respect to the effect of the agreement and must be provided with a statement showing the value of the pension benefits being waived.

Please note that even if a written separation agreement indicates that the benefits are to be waived between the member and their ex-spouse, the prescribed form still needs to be completed.

If both you and your Spouse or Common-law Partner are members of a pension plan and both of you agree in writing, you may divide just the net difference between your pension benefits, rather than the pension benefits you earned during your relationship.

Please note that if you have had a breakdown of marriage or common-law relationship, it is suggested that these matters be settled as quickly as possible as it may delay processing a termination or retirement benefit.

GARNISHMENT OF PENSION BENEFITS

Manitoba pension legislation provides that benefits of active and former members of the Plan can be garnished in satisfaction of delinquent support or maintenance payments to a former Spouse. The cost of processing such garnishment payments will be charged to the Plan member's account.

BANKRUPTCY

In accordance with the Manitoba Pension Benefits Act, your pension benefits may not be assigned, charged, anticipated or given as security and are exempt from execution, seizure or attachment.

DISABILITY WAIVER OF CONTRIBUTION BENEFIT

Subject to certain qualifications, a member who becomes disabled due to illness or injury will be credited with contributions as if the member had continued working and contributing to the Plan.

Following is a summary of this benefit provision:

Eligibility

All employees who are members or will be eligible to become a member of the pension plan and continue their employment with the Division are eligible for this benefit regardless of whether they are also eligible for sickness or disability benefits.

Qualifications

In order to qualify for this benefit, an employee must be absent from work, for reason of disability due to illness or injury, for a period of 80 consecutive

working days, i.e., 16 consecutive weeks or 112 calendar days.

A member must re-qualify for the disability waiver if the member returns to work (even on a part-time basis) and then becomes absent again, for reason of disability due to illness or injury.

Amount of Benefit

Commencing on the latest of the 81st working day of disability or the last day a contribution by a member is made, the member's pension account will be credited with an amount equal to the contributions that would have been made by the member and School Board had the member continued working during this period. The amount of contributions to be credited to the member's account will be determined based on the member's earnings level immediately prior to the member's date of disability.

Calculation of Benefit

The actual amount to be credited each year to a member's pension account will be determined by the Administrator, Mercer Human Resource Consulting. This will be done annually at the end of the year or at the time of termination, death or retirement, if applicable.

Duration of Benefit

The benefit will continue up to the earlier of:

- (a) the date the member returns to work or
- (b) the date the member ceases to be an employee of the School Division, i.e., terminates, dies or retires;

subject to a lifetime maximum benefit of 24 months.

QUESTIONS AND ANSWERS

Following are a few of the more commonly asked questions. Members are cautioned, however, that these are only brief answers. Fuller details may be found in this booklet or from the Retirement Counsellor.

1. Is there any way I can estimate what my retirement income will be?

The MAST Pension Plan is a Defined Contribution plan. In this type of plan, your contributions, and the School Division's contributions on your behalf, accumulate with investment income earned by the Pension Fund from year to year. At retirement, the value of your pension account is used to provide retirement income. It is difficult, therefore, to estimate exact retirement income. However, the Retirement Counsellor is available to do certain calculations and estimates but it is suggested that these not be requested more than one or two years before the anticipated retirement date. We suggest you also reference the MAST web page at www.mast.mb.ca.

2. How do I request an estimate of my pensions and options?

If you are within one or two years before your anticipated retirement date you can request a quotation of your estimated pension and options by calling the Retirement Counsellor anytime during regular business hours as follows:

in Winnipeg 957-7340
outside Winnipeg 1-888-258-1186

3. Can I take my accumulated dollars in cash?

In general, the Provincial pension regulations are as follows:

If you terminate employment before age 65, you can take any money to which you're entitled and which was contributed before July 1976. As well you will be entitled to 25% of the contributions made on your behalf between July 1, 1976 and December 31, 1984.

Any contributions after January 1, 1985 must remain in the Plan to provide you with an income commencing no later than the end of the calendar year in which you attain age 71, providing you have at least two years of service.

If you reach age 65 and are still in the employment of the School Division, you must use all of your account balance to provide for lifetime income at retirement. This must be done prior to the end of the calendar year in which you attain age 71.

Notwithstanding the above, if your account balance is sufficiently small at termination or retirement, provincial regulations may allow you to receive your account balance as a taxable cash refund.

4. Is there a penalty for early retirement?

Early retirement is available from age 50 onwards provided you have terminated your employment with the School Division. However, members should remember that when employment stops, contributions cease. Therefore, your account balance and the income it can provide will be less than if you worked to a later retirement age.

5. When do I have to start my pension income?

You must commence an income with your accumulated account balance by the end of the calendar year in which you attain age 71. However, you may elect to transfer your pension account to a LIRA, LIF, or LRIF in lieu of purchasing a life annuity from an insurance company. These options are described in the “Transfer of Pension Account” section.

6. Do I have to transfer my money out of the Plan if I terminate employment before age 65?

If you leave the School Division before age 65, you may leave your money in the Plan and you will be charged a portion of the administration costs and investment management fees which will be deducted from your account balance. If you are over age 50, you can elect to start pension income immediately.

7. If I take an income from the Plan, when will it start?

Your pension income is not paid from the pension fund. Your account balance must be transferred to a financial institution to provide for retirement income. The Retirement Counsellor will assist you with the transfer arrangements and the necessary paperwork. Your income can generally start within one month from leaving the school division.

8. If I terminate with less than 2 years of service will I be entitled to any of the School Division’s contributions on my behalf?

No. You will receive your own contributions with interest if you have not attained age 50. If you are age 50 or over at date of termination with less than 2 years service, you are also entitled to any School Division contributions made on your behalf.

GOVERNMENT RETIREMENT BENEFITS

In addition to the retirement benefits you will receive from the MAST Pension Plan, you may be eligible for payments from two government sponsored programs, the Canada Pension Plan (CPP) and Old Age Security (OAS).

Canada Pension Plan

Your retirement benefit from the Canada Pension Plan (CPP) will depend on your work and earnings history. This retirement benefit is payable monthly for your lifetime, beginning as early as age 60 if your employment earnings have dropped to less than 25% of the YMPE (\$10,925 in 2007). If you retire before age 65, your CPP pension will be reduced by 0.5% for each month it begins before age 65. You may also postpone receiving your CPP benefit up until age 70, with a 0.5% increase in your benefit for each month your benefit is deferred after age 65. The benefit is indexed annually to reflect changes in the Consumer Price Index. In 2007, the **maximum** benefit payable **at age 65** is \$863.75 per month.

Old Age Security

If you meet certain residence requirements and income restrictions, you will also receive a monthly benefit from OAS.

Old Age Security benefit is payable monthly for your lifetime beginning at age 65. The benefit is indexed quarterly to reflect changes in the Consumer Price Index. As of June 30, 2007, the **maximum** benefit payable was \$492 per month.

Pensioners with income over \$63,511 will have their OAS benefits reduced by 15% of income over \$63,511. This income test applies individually to married couples and disregards the spouse's income in determining the reduced OAS pension.

APPLYING FOR GOVERNMENT BENEFITS

Canada Pension Plan and Old Age Security benefits are not paid automatically. You must make application at the nearest office of Human Resources Development Canada.

More information on the Canada Pension Plan and Old Age Security can be found under the Human Resources and Social Development Canada website at:

www.hrsdc.gc.ca/en/gateways/individuals/cluster/category/ppr.shtml.

PERSONAL SAVINGS IN A REGISTERED RETIREMENT SAVINGS PLAN

Personal savings are an important part of your future retirement security. Although the MAST Pension Plan may be a fundamental part of your retirement savings, it is important to build extra personal savings to supplement your income when you retire.

One of the most popular ways to save extra income for retirement is by contributing to a personal Registered Retirement Savings Plan. Your contributions to a personal or spousal RRSP are tax deductible up to specified limits. Your RRSP contribution limit each calendar year is:

18% of earned income up to:	2007 - \$19,000
	2008 - \$20,000
	2009 - \$21,000
	2010 - \$22,000
	2011 - Indexed

less

Pension Adjustment (PA) (total employee and School Division contributions to the MAST Pension Plan in the previous year).

Note that the Income Tax rules limit your contributions to the pension plan (please refer to the Employee Contribution section).

Your PA is reported on your T4 slip every year. The government uses your PA and the information from your previous year's tax return to calculate and confirm your exact RRSP contribution room for the year. You will receive confirmation of your RRSP contribution room on your Notice of Assessment after you file your tax return. When you retire, you can use the value of your RRSP account to supplement your retirement income from the MAST Pension Plan and government plans.

