The CSSP

The Civil Service Superannuation Plan

Volume 3 Number 1 June 2000

Dear Madam:
Dear Sir:

In this document, the Commission administrative des régimes de retraite et d'assurances (CARRA) sets out the main provisions of the CSSP. These provisions include the amendments to your pension plan brought about, on the one hand, by the recent agreement between the Government and the representatives of its unionizable employees in the public and parapublic sectors and, on the other hand, by the recent consultations between the Government and the representatives of its non-unionizable employees in the public and parapublic sectors.

These amendments are effective as from January 1, 2000, provided the required provisions are passed by the National Assembly:

- management personnel and certain employees in non-unionizable employment can become members of the Pension Plan for Management (PPM) provided they apply before January 1, 2001 (page 3);
- management personnel and certain employees in non-unionizable employment are granted a 0.83% decrease of the contribution rate (page 4);
- the maximum period of exemption from contributions is extended from two to three years (page 4);
- in accordance with the choice made by the CSSP members, the retirement pension indexing formula has changed (page 8);
- certain periods of paid training can now be redeemed (page 9);
- the definition of de facto spouse has changed (page 13).

Take the time to read all the sections of this document since the information it contains will help you better understand the benefits offered by your pension plan. I suggest that you keep this document on file with all the other information concerning the planning of your retirement.

Luc Bessette
Chairman

Note: In accordance with the *Act respecting Access to documents held by public bodies and the Protection of personal information*, CARRA has signed an agreement with the Régie de l'assurance maladie du Québec to obtain the address of the members of the retirement plans under its administration.

Any change of address must be made with the Régie de l'assurance maladie du Québec.

Québec

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What is the CSSP?

"CSSP" stands for the Civil Service Superannuation Plan.

Established on December 28, 1876, the plan is one of the oldest in North America. Since July 1, 1973, that is, since the Government and Public Employees Retirement Plan (RREGOP) was created, no new member can join the CSSP. Therefore, the current CSSP members all became members prior to July 1, 1973. On December 31, 1999, the CSSP had a membership of approximately 4 600.

The CSSP has been administered by CARRA since July 1, 1973.

MEMBERSHIP IN THE CSSP

Is membership in the CSSP mandatory?

Yes, membership in the pension plan is an integral part of your working conditions.

Do I have to pay contributions to the CSSP during my whole career?

Yes. However, you will stop paying contributions to the CSSP when you have accumulated 35 years of service.

Even if you have not accumulated 35 years of service, you will stop paying contributions to the CSSP on December 31 of the year you reach 69 years of age.

How can I know the status of my membership in the CSSP?

About every three years, CARRA sends the members a statement of their contributions to the CSSP.

You can also apply to CARRA for this document at any time.

Can I have my years of CSSP membership transferred to RREGOP?

No. Since January 1, 1991, it is no longer possible to transfer from the CSSP to the Government and Public Employees Retirement Plan (RREGOP).

Can I have my years of CSSP membership transferred to the PPM?

As a rule, it is not possible to transfer from the CSSP to the Pension Plan for Management (PPM).

However, following the recent consultations between the Government and the representatives of its non-unionizable employees in the public and parapublic sectors, people who were members of the CSSP on December 31, 1999 and who, on that date, **were management personnel or in non-unionizable employment and had the corresponding classification** can have their years of CSSP membership transferred to the PPM, **provided they apply before January 1, 2001.**

If I resign and later return to work for another employer in the public or parapublic sector, will I continue to be a member of the CSSP?

If your new employment begins within 180 days following your resignation, you will continue to be a member of the CSSP if your new employment is in the public or parapublic sectors. However, if you hold an educational or a pedagogical position in an institution contemplated by the Teachers Pension Plan (TPP), your years of CSSP membership will be transferred to the TPP and you will then pay contributions to that plan.

However if there are more than 180 days between your resignation and the date on which you start your new employment, you can no longer be a member of the CSSP. You will then become a member of RREGOP or the PPM, as the case may be. It must be pointed out, however**,** that you **cannot** transfer your years of CSSP membership to your new plan. These years will entitle you to a deferred retirement pension payable at 65 years of age for a man (or 60 for a woman) or to an immediate retirement pension if you are eligible for retirement under the CSSP at the time of your resignation. Even if your years of CSSP membership are not taken into account in the calculation of your pension under RREGOP or the PPM, as the case may be, they will be used to determine your eligibility for retirement under your new plan.

I am a former religious and I am considering having my years of CSSP membership transferred to the PPCT. Would it be profitable?

It could be profitable for you to become a member of the Pension Plan for Certain Teachers (PPCT) and have your years of CSSP membership transferred to that plan. Certain years of teaching or educational leave during which you were not a member of any pension plan could be credited to you.

A person who was not a religious could also benefit from verifying whether he can transfer from the CSSP to the PPCT if he taught in an institution belonging to a religious community or to the secular clergy, or in a youth protection institution if it was a private institution located in Québec.

If you wish to know what is required to transfer your years of CSSP membership to the Pension Plan of Certain Teachers, please read the document entitled* The PPCT*, available from CARRA.

The document is also available in the section entitled "Documentation" on CARRA's Web site at: www.carra.gouv.qc.ca

CONTRIBUTIONS TO THE CSSP

How are my contributions to the CSSP determined?

First, we must point out that your contributions to the CSSP are integrated with those paid to the Québec Pension Plan (QPP). This means that your contributions to the CSSP take into account the fact that you also pay contributions to the QPP.

To determine the amount of your contributions, the CSSP provides for two rates. The first is applied to the portions of your salary on which you do not pay contributions to the QPP; the second (which is lower) is applied to the portion of your salary on which you must pay contributions to the QPP.

Let's see how your contributions to the CSSP are determined. First, it is important to know that CSSP contribution rates are 7.25% and 5.45%. In 2000, these rates apply to the following portions of your salary, on which you do or do not pay contributions to the QPP:

Portion of the basic salary for 2000	Mandatory QPP contribution	**CSSP contribution rate**
Up to $3 500	no	**7.25%**
Between $3 500 and $37 600	yes	**5.45%**
In excess of $37 600	no	**7.25%**

The portions of your salary on which you must pay contributions to the QPP are determined each year by the Régie des rentes du Québec when it sets the amounts of the personal exemption and the maximum pensionable earnings (MPE) under the QPP. In 2000, the personal exemption is $3 500 and the MPE is $37 600.

Your basic salary is the salary provided in your collective agreement or your work contract and paid to you for a given year.

To determine the amount of contributions you must pay to the CSSP in 2000, multiply each portion of your basic salary by the rate of contribution to the CSSP that applies, then add up the results.

Your employer uses a weighted rate so that your contributions remain stable throughout the whole year.

Example: *Ann's basic salary is $38 000. In 2000, her contributions to the CSSP are determined as follows:*

Portion of Ann's basic salary	*CSSP contribution rate*	
$3 500	× *7.25%* =	*$254*
$34 100 (that is, $37 600 – $3 500)	× *5.45%* =	*$1 858*
$400 (that is, $38 000 – $37 600)	× *7.25%* =	*$29*
Contributions to the CSSP for 2000	=	*$2 141*

Please note that the rates are reduced by 0.83% in the case of management personnel and certain employees who hold non-unionizable employment. This provision has applied as from January 1, 2000.

The portions of the basic salary to which these rates will apply for the coming years will be determined when the Régie des rentes du Québec will have set the amounts of the personal exemption and the maximum pensionable earnings (MPE) under the QPP for those years.

EXEMPTION FROM CONTRIBUTIONS

Do I have to contribute to the CSSP if I am eligible for salary insurance benefits?

While you are eligible for benefits under your disability insurance plan, including any unpaid waiting period, you do not have to contribute to your pension plan. The contributions that you would normally have paid are credited to you just as if you had paid them. You do not lose any rights during that period.

The same exemption applies if you are eligible for benefits from, among others, the Société de l'assurance automobile du Québec (SAAQ) or the Commission de la santé et de la sécurité du travail (CSST).

The maximum exemption period **is three years**, even if your work conditions provide for the end of the employment relationship after the period of disability has lasted two years. This applies to persons whose exemption period began after December 31, 1997.

It must be pointed out that the maximum exemption period is not limited to three years for persons eligible for disability insurance under a mandatory plan in force on December 31, 1989 that provides for the payment of benefits up to age 65 or until retirement**, provided the employment relationship is preserved.**

YEARS OF SERVICE UNDER THE CSSP

What does the expression "years of service" actually mean?

The expression "years of service" means the years that will be used to determine your eligibility for retirement and to calculate the amount of the basic pension to which you will be entitled when your retire. They are the years during which you were a member of your pension plan.

A year of service corresponds to a calendar year, that is, from January 1 to December 31. Usually, there are

260 work days in a year: 5 days per week over 52 weeks.

How can I accumulate a year of service under the CSSP?

In order to accumulate a full year of service under the CSSP, you must hold a full-time job for the whole year.

Also, you must not have periods of absence such as unredeemed leave without pay, a strike or a lock-out.

If I work part time, how will the CSSP credit my years of service?

At the end of each year, the CSSP will credit you with a part of a year proportional to your hours of work over the hours worked by a full-time employee in an equivalent job, regardless of overtime.

Example: *Louis has worked part-time for 30 years. He works three days a week, which represents 60% of the time worked by a full-time employee in an equivalent job.*

At the end of each year, the CSSP credits Louis with 0.600 year of service. Therefore, in the last 30 years, Louis accumulated a total of 18 years of service.

You cannot have credited the part of the year during which you do not work. Therefore, in our example, the parts of a year (0.400 year × 30 years) during which he did not work cannot be credited to Louis under the CSSP.

I heard that in calculating my pension, CARRA would add a certain number of days to my years of service. Is that true?

If some of your years of service **after December 31, 1978** are incomplete **following periods of absence without pay** (for example, unredeemed leave without pay, a strike or a lock-out), your plan provides that, in calculating your pension, CARRA will automatically fill these **periods of absence without pay** by adding to your years of service the number of days corresponding to these absences, **up to a maximum of 90 days.**

CALCULATION OF A RETIREMENT PENSION

How will CARRA calculate the amount of my retirement pension?

To determine the amount of your **basic annual retirement pension**, CARRA will use the following formula: the number of your years of service (maximum 35) × the annual vesting rate (2%) × the average salary for your five best paid years.

If you hold a part-time position, the annual salary taken into consideration will be that which you would have earned if you had worked full time.

ELIGIBILITY FOR RETIREMENT

When can I receive my basic annual pension?

You can receive your basic annual retirement pension when you cease to be a member of the plan, provided you meet one of the following eligibility requirements:

<u>For a man</u>

- to be 65 or over;
- to be 62 or over **and** have at least 10 years of service;
- to be 60 or over and have reached the “90 factor” (age + years of service);
- to have at least 35 years of service;
- to be 55 or over **and** have at least 32 years of service.

<u>For a woman</u>

- to be 65 or over;
- to be 60 or over **and** have at least 10 years of service;
- to have at least 35 years of service;
- to be 55 or over **and** have at least 32 years of service.

You will then be eligible for a “retirement pension with **no** reduction”, which means that your retirement pension will be equal to your basic annual retirement pension.

Example: *Jean retires at 60 years of age. She has 30 years of credited service. The average salary for her five best paid years is $35 000.*

*Since she meets one of the eligibility requirements above (“to be 60 or over **and** have at least 10 years of service”), she is eligible for a “retirement pension with **no** reduction”, which means that her pension **is equal to her basic annual retirement pension,** determined as follows:*

Years of service		*30*
Annual vesting rate	×	*2%*
Average salary	×	*$35 000*
Basic annual retirement pension	=	*$21 000*

Jean will receive an annual pension of $21 000, which represents $1 750 a month ($21 000 ÷ 12).

Can I retire before I meet one of these eligibility requirements?

Yes. You can, but “**with** reduction” in this case, if you meet one of the following requirements:

<u>For a man</u>

- to be 55 or over **and** have at least 22 years of service;
- to be 60 or over regardless of the “90 factor” (age + years of service);
- to be under 60 **and** have reached the “90 factor” (age + years of service).

<u>For a woman</u>

- to be 50 or over **and** have at least 22 years of service;
- to be 60 or over **and** have less than 10 years of service.

How can I know when I will reach the “90 factor”?

To determine when you will reach the “90 factor”, you must first add your age and the number of years of service currently credited to you. Then subtract the result from 90, and divide the result by 2. Finally, add this number to your age and your years of service.

Example: *Peter is 54 years old and has 22 years of service. Here is how to find when he will reach the “90 factor”.*

First, we add his age and the number of his years of service:

Age		*54*
Years of service	+	*22*
Total	=	*76*

Now we subtract the result from 90 and then, we divide the new result by 2:

“90 factor”		*90*
Total (age + years of service)	–	*76*
Difference	=	*14*
	÷	*2*
Years to be added to his age and number of years of service	=	*7*

Finally, we add that number to his age and to the number of his years of service :

Age	+	*Years of service*	=	*“Factor”*
54	+	*22*	=	*76*
7	+	***7***	=	*14*
61	+	*29*	=	*90*

*Peter will reach the “90 factor” in 7 years, when he turns 61 and has 29 years of service, if we assume that **all** his years of service will be recognized as full-time years until the date of his retirement.*

Note that if you hold part-time employment, you cannot determine when you will reach the “90 factor” with the method we have just described.

What does the expression “retirement pension with reduction” mean?

This expression means that the amount of your basic annual retirement pension must be reduced **permanently** by 6% per year of anticipation (0.5% per month).

Your pension is reduced because you will be receiving it for a longer period than if you retire after you meet one of the eligibility requirements for a pension with **no** reduction.

How can I calculate the amount of the reduced pension to which I would be entitled?

First, you must determine the percentage of reduction to apply to your basic annual pension. This percentage is obtained by multiplying by 0.5% the number of months between the date of your retirement and the date on which you would have met the first requirement for a retirement pension with **no** reduction among the requirements for a pension with **no** reduction mentioned on page 5.

Then you must multiply the amount of your basic annual pension by the percentage of reduction obtained to determine the amount of the reduction that will apply to your pension.

Finally, you must subtract the result from the amount of your basic pension. This will give you the amount of the pension **with** reduction to which you are entitled.

Example: *John retires on his 55th birthday. He has 30 years of credited service. The average salary for his five best paid years is $45 000.*

*First, we must determine the number of months between his retirement and the first date on which he would have been eligible for a retirement pension with **no** reduction. Among the eligibility requirements for a pension with **no** reduction, the first he would have met is "to be 55 or over **and** have at least 32 years of service", and that would have been 24 months later had he kept on working. We must count **24 months of anticipation**.*

Then, we will determine the percentage of reduction applicable to his basic annual retirement pension:

Months of anticipation		*24*
Monthly rate of reduction of the pension	×	*0.5%*
Percentage of reduction applicable to the basic annual retirement pension	=	*12%*

Now, we will determine the amount of his basic annual retirement pension:

Years of service		*30*
Annual vesting rate	×	*2%*
Average salary	×	*$45 000*
Basic annual retirement pension	=	*$27 000*

Then we must calculate the amount of the reduction to apply to his basic annual retirement pension:

Basic annual retirement pension		*$27 000*
Percentage of reduction	×	*12%*
Reduction applicable to the basic annual retirement pension	=	*$3 240*

*To determine the amount of the retirement pension **with** reduction to which John is entitled, we simply calculate it as follows:*

Basic annual retirement pension		*$27 000*
Amount of the reduction applicable to the basic annual retirement pension	–	*$3 240*
*Retirement pension **with** reduction*	=	*$23 760*

John's annual retirement pension will be $23 760, which represents $1 980 a month ($23 760 ÷ 12).

Is it possible to minimize or totally avoid the reduction?

Yes. This is what we call "compensation of the reduction applicable to a pension". It consists in transferring to the CSSP the amount necessary for the annual payment, by your plan, of a pension corresponding to the reduction that you wish to compensate.

The cost of the compensation can be paid by you or, if he agrees, by your employer, within the limits set by regulation.

INTEGRATION OF THE CSSP AND THE QUÉBEC PENSION PLAN

Is it true that my pension under the CSSP will be reduced when I turn 65?

Yes, this is true. When you turn 65, your pension plan will take into account the fact that you also are entitled to a pension under the Québec Pension Plan (QPP), which will cause a reduction of your pension under the CSSP. This is what is called "integration".

The reduction will be applied to your pension as of the month following your 65th birthday.

Like many pension plans offered by employers, the CSSP is integrated with the QPP. Because of that integration, the **total** of the pensions payable to a person by the QPP and the CSSP corresponds to about 70% of the average salary he received prior to retirement provided he accumulated 35 years of service.

If I apply for my QPP pension at 60, will my CSSP pension be reduced at the same age?

No. Your CSSP pension will be reduced **only as of the month following your 65th birthday**, even if you begin receiving your QPP pension before 65.

How will CARRA calculate the reduction that will apply to my CSSP pension?

The applicable reduction will be calculated as follows: the number of years of service after December 31, 1965 used to calculate your basic annual retirement pension × the annual integration rate with the QPP (0.7%) × the average maximum pensionable earnings (MPE) of your five best paid years. Note that the MPE is set by the Régie des rentes du Québec.

When the average salary is lower than the average MPE of the five best paid years of service, the average salary is used for the calculation.

Example: *Lynn retired at 60 years of age with 32 years of service. All those years were credited for service after December 31, 1965. Her average salary for her five best paid years is $40 000.*

The average MPE for Lynn's five best paid years is $35 000. Since her average salary is higher than the average MPE, the latter ($35 000) must be used to calculate the reduction that will apply to her pension as of the month following her 65th birthday.

The reduction is calculated as follows:

Years of service		*32*
Annual integration rate with the QPP	×	*0.7%*
Average MPE	×	*$35 000*
Applicable reduction	=	*$7 840*

As of the month following her 65th birthday, Lynn's pension under the CSSP will be permanently reduced by $7 840 a year, which represents $653 a month ($7 840 ÷ 12).

Is the reduction of the contribution rate granted to me for the calculation of my CSSP contributions related to the integration of the CSSP with the QPP?

Yes. The contributions you pay to the CSSP during your career are lower because your pension under the CSSP will be integrated with your pension under the QPP when you turn 65.

In the example on page 4, if the CSSP was not integrated with the QPP, Ann's contributions to the CSSP would be calculated at a rate of 7.25% on her total salary. In 2000, her contributions to the CSSP would amount to $2 755 instead of $2 141 ($614 more).

INDEXATION OF YOUR PENSION

When I am retired, will my CSSP pension be adjusted to the cost of living?

Once you begin receiving your pension, it will be indexed on January 1 of each year as follows:

- the part of your pension that corresponds to the years credited for service **prior to July 1, 1982** will be fully indexed to the rate of increase of the pension index set by the Régie des rentes du Québec;
- the part of your pension that corresponds to the years credited for service **after June 30, 1982 but prior to January 1, 2000** will be indexed to the rate of increase of the pension index, minus 3%;
- the part of your pension that corresponds to the years credited for service **after December 31, 1999** will be indexed according to the more profitable of the following formulas:
  - 50% of the rate of increase of the pension index; **or**
  - the rate of increase of the pension index, minus 3%.

Example: *Roger retires on January 1, 2004, on his 62nd birthday. He has 30 years of credited service. His average salary for his five best paid years is $50 000. In 2004, his annual pension is $30 000 ($2 500 a month).*

On January 1, 2005, Roger's pension will be indexed as follows, ***assuming that*** *the rate of increase of the pension index set by the Régie des rentes du Québec is 4%.*

Roger's annual pension ($30 000) will first be divided in three parts, according to the dates of his years of service:

Number of years of service…		*Annual vesting rate*	*Average salary*	***Part of the pension***
before July 1, 1982:	*8.5*	*× 2% ×*	*$50 000 =*	***$8 500***
after June 30, 1982 but before January 1, 2000:	*17.5*	*× 2% ×*	*$50 000 =*	***$17 500***
after December 31, 1999:	*4.0*	*× 2 % ×*	*$50 000 =*	***$4 000***
Total number of years of service:	*30.0*	*× 2% ×*	*$50 000 =*	*$30 000*

Each of these three parts will then be indexed as follows:

				Indexation
First part of the pension				
$8 500	×	*4%, that is, the rate of increase of the pension index **assumed** for January 1, 2005*	=	***$340***
Second part of the pension				
$17 500	×	*1%, that is, the rate of increase of the pension index **assumed** for January 1, 2005 (4%), **minus 3%***	=	***$175***
Third part of the pension				
$4 000	×	*2%, that is, **50%** of the rate of increase of the pension index **assumed** for January 1, 2005 (4%)*	=	***$80***
Total indexation as at January 1, 2005			=	***$595***

As of January 1, 2005, Roger's annual pension will be increased to $30 595 ($30 000 + $595), which represents $2 550 a month ($30 595 ÷ 12).

If I retire on a date other than January 1, will my pension be indexed in the same fashion?

Yes. However, the first time your pension will be indexed, that is, on January 1 following the date of your retirement, the index adjustment will be calculated on the basis of the number of days for which your pension was payable during the first year of your retirement, over 365 (or over 366, if it is a leap year).

Subsequently, your pension will be indexed on January 1 of each year, as described above.

REDEMPTION OF SERVICE

How can I maximize the advantages provided under my pension plan?

Your pension is calculated, among other things, on the basis of the number of years credited to your account at the time of your retirement. Therefore, if you are entitled to redeem certain periods of service or leave, you could have them taken into account under your plan. Redemption of service could increase the amount of your pension and, in some cases, allow you to retire earlier.

What are the most common types of redemption?

The most common types of redemption concern the following periods:

- leave without pay (including parental leave) that began after June 11, 1969;
- periods of maternity leave taken by a teacher, that were in progress on July 1, 1965 or that began after that date, but that ended before July 1, 1973;
- periods of maternity leave that were in progress on July 1, 1973 or that began after that date, and those that ended before January 1, 1989 or were in progress at that date. Note that periods of maternity leave that began after December 31, 1988 are automatically recognized, without having to take any special steps;
- periods of service for which a member obtained the reimbursement of his contributions;
- years of teaching before January 1, 1968 for which a female plan member obtained the reimbursement of her contributions when she resigned to marry, to have a child or to adopt a child.

I heard that there is a provision that allows the redemption of training periods. Tell me more about it.

This is a new provision that allows a member of the CSSP to redeem **a period of paid training** for an employer now contemplated by RREGOP or that would have been had it not ceased to exist.

To be redeemed, the paid training must have been while the member was studying to become a nurse or nursing assistant, a child care attendant or assistant child care attendant, a dietician, a respiratory therapist, a technologist in radiotherapy, in nuclear medicine or in diagnostic radiology, a medical technologist or a laboratory technician. The paid training must have been in a hospital environment.

Please note that this provision concerns only members who received that training **before** it was offered by CEGEPs.

Are the years redeemed considered years of CSSP membership?

As a rule, the years redeemed are considered years of CSSP membership. This means that these years will be taken into account to determine eligibility for retirement and to calculate the amount of your pension.

Are there any exceptions to that rule?

There is only one exception. When the period redeemed is a period of paid training, the period is used only to determine your eligibility for retirement and not to calculate your pension under the CSSP.

However, that period will entitle you to an amount called "pension credit" that will be added to your pension under the CSSP. That period will also be revalued, which means that an **additional life annuity** and a **temporary annuity payable until age 65** (or until your death, if this occurs before you reach 65) will be added to your pension credit. However, the total of the additional life annuity, the temporary annuity and the pension credit **must not exceed** the amount to which your period of paid training would have entitled you if it had been used to calculate your pension.

What do I have to do to redeem years of service?

First, it is important to know that any application for redemption of service must be received by CARRA while you are still employed. Once you leave your job, even to retire, you cannot redeem periods of service.

To redeem periods of service, you must first gather the necessary documents from your employers for the periods you wish to redeem. The list of these documents is shown on the "Application for redemption of service" form.

Once you have these documents, you must contact the person responsible for pension benefits at your present place of work, in general, in the human resources department. The person in charge will help you fill out the "Application for redemption of service" form that you must send to CARRA.

After studying your file and if the period is redeemable, CARRA will send you a redemption proposal that you can either accept or turn down. The proposal will indicate the cost and the payment terms of the redemption and is valid for 60 days.

How much does redemption of service cost?

It is impossible to answer this question on a general basis. The cost will vary according to the type of redemption involved, the salary for the period to be redeemed and even, in some cases, the employee's age at the time the application is filed.

However, periods of maternity leave are credited at no cost.

For more information on the subject, please read the document entitled* Redemption of service, *available from CARRA.

That document is also available in the section entitled "Documentation" on CARRA's Web site at: www.carra.gouv.qc.ca

TIME MANAGEMENT

If I enrol in a time management program, will my pension be affected when I retire?

No. You will be credited the same service and the same salary as if you had not participated in the program, even if your work schedule and your salary are reduced.

SABBATICAL LEAVE WITH DEFERRED PAY

If I sign an agreement with my employer to take a sabbatical leave with deferred pay, will that affect my pension?

No. You will be credited the same service and the same salary as if you had not signed an agreement.

Note that for the duration of the agreement, you will pay contributions only on your actual pensionable earnings.

Once your leave is over, you must return to your usual work for a period equivalent to at least the duration of the leave. If you do not abide by the conditions of the agreement, your employer could cancel it and consider it never existed, which could affect your pension plan.

PROGRESSIVE RETIREMENT

Can I reduce my work schedule before I retire?

Depending on your work conditions, you can sign a “progressive retirement agreement” with your employer.

The agreement allows you to reduce your work schedule for a period of at least 12 months and at the most, 60, at the end of which you must retire. For the duration of the agreement, your new work schedule must not be less than 40% of the full-time schedule of an equivalent job.

To be eligible for progressive retirement, you must work full time or part time and hold a regular job. The program does not apply to casual or seasonal employees.

It is up to the employer to enter into a progressive retirement agreement and to fix the terms of that agreement with the employee.

Before entering into a progressive retirement agreement, you must complete the “Application for confirmation of eligibility for progressive retirement” form so that CARRA can confirm that you are really eligible for a retirement pension at the expiry of the agreement.

Will progressive retirement affect my pension?

Not at all. Your contributions to the CSSP during the progressive retirement agreement are calculated on the salary that you would have received had you not signed an agreement.

You will be credited with the service and the salary that would have been credited to you if you had not reduced your work schedule.

TERMINATION OF EMPLOYMENT PRIOR TO ELIGIBILITY FOR RETIREMENT

What are the requirements to obtain a refund of my contributions if I leave my job before I am eligible for retirement?

You can obtain, upon request, a refund of your contributions **only if you have less than 10 years of credited service** at the time you resign.

Please note that no interest will be added to the amount of your refunded contributions since there is no provision to that effect in the *Act respecting the Civil Service Superannuation Plan*.

If I have ten years of service or more and I leave my job before I am eligible for retirement, when will I benefit from the CSSP?

If you have ten years of service or more when you leave your job, you can choose between these two options:

- **receive a deferred retirement pension at a later date:**
  - you can choose to receive your deferred pension **at 65 if you are a man, or at 60 if you are a woman**. Integration with the Québec Pension Plan (QPP) will apply to your pension as of the month following your 65th birthday; **or**
  - you can choose to receive your deferred pension **at 55, or at any other time between your 55th and your 65th birthday if you are a man or between your 55th and your 60th birthday if you are a woman**. In this case, integration with the QPP will apply immediately to your pension. In addition, a reduction of 6% per year (0.5% a month) included between the beginning of your retirement and your 65th birthday if you are a man, or between the beginning of your retirement and your 60th birthday if you are a woman, will apply **permanently** to your pension;

or

- **ask CARRA to transfer to a locked-in retirement account (LIRA) or a life income fund (LIF) the amount** corresponding to the higher of the following amounts:

- the total of your contributions to your pension plan; **or**
- the value of your vested deferred retirement pension.

You are entitled to the transfer if you have left your job for at least 210 days. Your application for transfer must be filed on the “Application for a retirement pension” form **before your 55th birthday**, or within the 12 months following the date on which your employment relationship was broken if you left between your 54th and your 55th birthday.

If you are exempted from paying contributions after the employment relationship is broken, your period of exemption must be over since at least 210 days before you can apply for a transfer.

If I leave my job to work for a private organization, for instance, can I have my years of CSSP membership recognized by my new employer’s pension plan?

Yes, if your new employer has entered into a transfer agreement with CARRA.

CARRA has such agreements with **certain bodies** to allow those who change jobs to transfer the value of the benefits they have accumulated under the CSSP to their new pension plan.

These bodies include, among others, the federal government and certain provincial governments, municipalities and universities as well as certain private and public organizations.

You can avail yourself of a transfer agreement only if you are not eligible for a retirement pension with **no** reduction when you submit your application for transfer to CARRA.

DISABILITY

Would I be entitled to special benefits if I became disabled?

Yes, you could receive a disability retirement pension, provided your disability is recognized by a medical committee representing CARRA.

How will this disability retirement pension be calculated?

The disability retirement pension is calculated in the same manner as the basic annual retirement pension.

You must note that regardless of your age and the number of your years of service when you become disabled, you are entitled to a disability retirement pension with **no** reduction as of the beginning of your disability.

If you are also eligible to a disability pension under the Québec Pension Plan (QPP) or the Canada Pension Plan (CPP), integration with the QPP will apply immediately to your disability retirement pension under the CSSP. If you are not eligible, integration with the QPP will apply to your pension under the CSSP as of the month following your 65th birthday.

IN THE EVENT OF A MARRIAGE BREAK-UP

Will a separation or a divorce affect my pension plan?

Since July 1, 1989, benefits accrued in a pension plan during a marriage are part of the family patrimony. The value of these benefits can therefore be partitioned in the event of a divorce, a separation from bed and board or a marriage annulment.

Upon request and after such proceedings are instituted (or before if an accredited mediator confirms family mediation), CARRA will establish the value of your benefits. If the Court then decides that the value of the benefits must be partitioned, CARRA will transfer on demand the sum allocated to your spouse to a locked-in retirement account (LIRA), a life income fund (LIF) or an annuity contract in his name at the financial institution of his choice.

Will the transfer affect the amount of my pension?

Yes. In order to take into account the sum that was transferred to your spouse, CARRA will determine a “negative pension amount”. When you retire, your pension will be reduced accordingly.

For more information on the subject, please read the document entitled* Partition of family patrimony, *available from CARRA.

That document is also available in the section entitled "Documentation" on CARRA's Web site at: www.carra.gouv.qc.ca

IN THE EVENT OF DEATH

What benefits are provided under the CSSP at death?

The CSSP provides for the payment of a pension to your spouse and your unmarried children under 18 years of age (or under 21 provided they are full-time students in a recognized educational institution).

Therefore, regardless of the fact that you are eligible for a retirement pension or not, or that you are already retired at the time of your death, your spouse will receive up to 60% of the pension that would have been payable to you or that was paid to you. If integration with the Québec Pension Plan (QPP) was not already applied to your pension, it will apply to your spouse's pension as of the month following your death.

The CSSP also provides that if, at the time of your death, you have unmarried children under 18 (or under 21 provided they are full-time students in a recognized educational institution), each one will be entitled to a pension equal to 10% of the pension that would have been payable to you or that was paid to you. Unless your pension was already integrated with the QPP, integration will apply to the pension paid to your children as of the month following your death. If your children are under 18, their pension will be paid to the person whose dependent they are.

Note that the total of the pensions paid to your children cannot exceed 40% of the pension that would have been payable to you or that was paid to you. Therefore, if more than four children are entitled to a pension, the maximum amount of the pension is divided equally among them.

Upon my death, will my pension plan recognize my de facto spouse?

If you are not married, your pension plan will recognize as your spouse the person of the opposite sex or the same sex that you presented as your spouse and who, at the time of your death**, was not married to another person** and was living in a conjugal relationship with you since at least three years.

This period can be only one year instead of three if:

- a child is born or to be born of your union; **or**
- a child was jointly adopted by you and your spouse during your union**; or**
- your spouse or you have adopted the child of the other during your union.

Same sex spouses have the same rights and obligations as opposite sex spouses since the coming into force, on June 16, 1999 of *the Act to amend various legal provisions concerning de facto spouses*. Because these provisions have applied since June 16, 1999, the CSSP recognizes the same sex de facto spouse of a member or a pensioner who died **after** June 15, 1999.

What will happen if I do not have a spouse when I die?

If, at the time of your death, you have no spouse but you have unmarried children under 18 (or under 21 provided they are full-time students in a recognized educational institution), each one will be entitled to a pension equal to 20% of the pension that would have been payable to you or that was paid to you. If integration with the QPP has not yet been applied to your pension, it will apply to the pension paid to your children as of the month following your death. If your children are under 18, their pension will be paid to the person whose dependent they are.

Note that in this case, the total of your children's pensions cannot exceed 80% of the pension that would have been payable to you or that was paid to you. Therefore, if more than four children are entitled to a pension, the maximum amount of the pension will be divided equally among them.

And if I have no spouse or children?

If you have no spouse or children at the time of your death **and are not yet retired**, your heirs will receive the total of your contributions to your pension plan, without interest.

However, if **you are already receiving your pension** at the time of your death, your heirs could receive an amount calculated as follows: the total contributions (without interest) you paid to your pension plan minus the total benefits you received up to your death.

If I divorce and my pension plan benefits are included in the partition of family patrimony, will that affect the benefits payable at my death?

Yes. To take into account the amount transferred to your spouse, CARRA will determine what is called a "negative pension amount". Any benefits payable at your death will be reduced accordingly.

RETIRING

What elements do I have to take into account before deciding to retire?

First, it is essential that you be ready to enter this new stage of your life.

Then, of course, it is important to evaluate your total income after you have retired, depending on your age, for instance, your CSSP pension, your pension under the Québec Pension Plan, your Old Age Security Pension (payable at 65) and any income from your registered retirement savings account (RRSP) or from any other source, and to compare it with your expenses.

Once my decision is made, what do I have to do?

You must fill out an "Application for a retirement pension" form with your employer's assistance.

We suggest that you send it to CARRA about three months before the date on which you plan to retire.

If I am eligible for a retirement pension with reduction, can I leave my job and wait until I am eligible for a pension with no reduction before applying for my pension?

Yes. However, before making that decision, it is important to analyze the consequences. In order to receive at a later date a slightly higher pension, you could risk depriving yourself for several months of money that you could from the beginning of your retirement.

Let us assume that I resign while I am eligible for a pension with reduction and I do not apply for my pension immediately. Can I apply later even if, at that time, I am still not eligible for a pension with no reduction?

Yes. However, if you send your application to CARRA more than 60 days after your resignation but are not yet eligible for a pension with no reduction, CARRA will not pay your pension from the date on which you resigned, but **from the date it received your application** or on any later date indicated on your application. CARRA will take that date into account to calculate the reduction applicable to your pension.

Example: *Martha resigns in June 2000, at age 53. She has 30 years of service. She is eligible for a retirement pension* ***with*** *reduction. Since she would be eligible for a retirement pension with* ***no*** *reduction in two years under the requirement "to be 55 or over* ***and*** *have at least 32 years of service", she decides to wait before applying to CARRA for her pension.*

In June 2001, at age 54, even if she is not yet eligible for a retirement pension with ***no*** *reduction, Martha sends her application to CARRA.*

CARRA will pay her pension from the date on which her application was received (June 2001) and will take that date into account to calculate the reduction applicable to her pension.

Now, let us assume that I resign when I am eligible for a pension with reduction and that I do not apply immediately. When I become eligible for a pension with no reduction, I forget to apply. What will happen if a few months have passed when I apply to CARRA?

If you send your application once you are eligible for a retirement pension with **no** reduction, CARRA will pay your pension from the **date on which you became eligible for that pension with no reduction** and not from the date it received your application.

Example: *Paul resigns in June 2000, at age 55. He has 31 years of service. He is eligible for a retirement pension* ***with*** *reduction. Since he will become eligible for a retirement pension with* ***no*** *reduction in one year under the requirement "to be 55 or over* ***and*** *have at least 32 years of service", he decides to wait before applying to CARRA for his retirement pension.*

In June 2001, Paul becomes eligible for a retirement pension with ***no*** *reduction under that requirement. However, he forgets to apply to CARRA for his retirement pension.*

In October 2001, Paul applies for his retirement pension. CARRA will pay his pension from the date on which he became eligible for a retirement pension with ***no*** *reduction (June 2001).*

PAYMENT OF THE RETIREMENT PENSION

How often will my pension be paid?

Your retirement pension will be paid on the 15th of each month, for that month. It can be deposited directly into your bank account.

Will income tax be deducted from my pension?

As a rule, yes. CARRA will deduct federal income tax and Québec income tax as if your retirement pension was your sole income. If you find that the amount of these deductions is not high enough, you can ask to have it increased.

GOING BACK TO WORK

Once I have retired, can I go back to work?

Going back to work in the Québec civil service, the education or the health and social services sectors or for any employer covered by RREGOP, on a full-time or part-time basis or as a casual employee, could cause the suspension or the reduction of your retirement pension.

Therefore, **we strongly suggest** that you make sure the employer about to hire you or CARRA provides you with all the information you need on the **possible consequences** of your going back to work, before reaching a decision.

RECOURSE

If I have a complaint regarding the quality of CARRA's service, whom must I contact?

If you wish to submit a complaint regarding the quality of the service you received from CARRA, please contact the complaints officer at the following address:

Complaints Officer
Commission administrative des régimes
de retraite et d'assurances
475, rue Saint-Amable
Québec (Québec) G1R 5X3

Make sure to indicate your social insurance number in your letter.

If I disagree with a decision rendered by CARRA, should I also contact the complaints officer?

No. The complaints officer deals **only** with complaints related to the quality of CARRA's services.

If you wish to contest a decision rendered by CARRA in your regard, you may apply for a reexamination to the reexamination office within the prescribed time limit. Following reexamination, if you feel that your rights have not been recognized, you may appeal the decision by applying to the office of the arbitration tribunals within the prescribed time limit.

If you wish to obtain more information on your pension plan, please contact the human resources department at your place of work or CARRA.

You can reach CARRA at the following address:

Commission administrative des régimes
de retraite et d'assurances
475, rue Saint-Amable
Québec (Québec) G1R 5X3

You can also dial one of the following numbers:

643-4881, if you call from the Québec City area, or
1 800 463-5533, from elsewhere in Québec.

This document is published by the Direction des services à la clientèle.

The information in this document is of a general nature and does not supersede the *Act respecting the Civil Service Superannuation Plan* or its attendant regulations.

The masculine form is used to designate either sex.

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CARRA's Web site, be sure to visit

You need a form? You want another copy of the document you are reading?

If you have access to the Internet, you will quickly find what you are looking for on CARRA's Web site at: www.carra.gouv.qc.ca

Québec

Commission administrative
des régimes de retraite
et d'assurances