

Pension Plan – FULL-TIME Employees

We are proud of our Canadian Forces Non-Public Fund Employees Pension Plan and love to brag to our new employees about it. It is distinct from the public service pension plan and is designed differently. The defined benefits offer great insurance for the future. Please take the time to get to know and understand your pension plan.

New full-time employees are **required** to join the pension plan from the date of hire and must remain in the plan as long as they work for us. For unionized Category I employees, if the terms of your collective agreement differ; your collective agreement takes precedence.

Each year, you are required to contribute 4.5% of your earnings up to the CPP/QPP Year's Maximum Pensionable Earnings (YMPE) and 6% of earnings that are in excess of the YMPE.

Our pension plan is a defined benefit plan which means that the employee's retirement benefit is defined by a set formula based on a benefit percentage, years of pensionable service, and average earnings. The pension formula is:

1.5% of your Average Pensionable Earnings up to the Average YMPE
plus 2% of your Average Pensionable Earnings above the Average YMPE
multiplied by Years of Pensionable Service

Under a defined benefit pension plan, the employer is required to ensure the pension plan is properly funded. The employer's contributions are determined by the plan's actuary, subject to Canada Revenue Agency approval, taking into consideration applicable legislation, accumulating benefits, future payment obligations, and the plan's funding status. Currently, the employer's contributions are 203.8% of the employee's contributions (i.e. for each \$1 the employee contributes, the employer contributes \$2.038).

Your retirement earnings are calculated using your Average Pensionable Earnings, which are your average earnings as a plan member during the three highest-paid consecutive years in the ten years before your retirement date. If you have less than three years of pensionable service, then the actual average of earnings received will be used.

Estimating Your Pension Benefits

Every year, you will receive a statement detailing the amount of your accrued pension, pensionable service, and total contributions with interest. You may also use the Pension Estimator tool available on our web site to plan the value of retirement benefit payable on a certain date:

http://www.cfpsa.com/en/corporate/Services/hrservices/PensionAndBenefits/PensionEstimator_e.xls

Transfers from Other Employers

Given that our Pension Plan is a federally legislated pension plan, only transfers from other federally legislated pension plans are acceptable. If you wish to transfer your accumulated pension benefits, our actuaries will calculate the value of your pension against our pension plan and provide the options available to you with regard to the number of years of service that you may transfer into our plan and any associated costs.

Pension Plan Administration

Our Pension Plan is administered by Coughlin & Associates Ltd. Coughlin is one of Canada's leading benefits consultancies and third party administrators. As the Pension Plan administrator, they maintain an employee database for pension administration. They issue annual pension statements as well as perform all the necessary pension calculations and provide the required documentation to employees when they leave our organization. Employees can contact them by e-mail at cfpsapension@coughlin.ca or by phone at 1-888-613-1234 extension 377.

Retirement Payments

There are three forms of payment available:

- Guaranteed Life 15 Years (Normal Form), which is the automatic option for single employees
- Joint and Survivor 60% for employees who are in a married, common-law or same-sex relationship
- Joint and Survivor 100%

The monetary differences between the three forms of payment are explained in detail in the pension booklet available online.

The Pension Plan booklet provides further information about the Pension Plan. Please consult the booklet for further information on a variety of topics, for example:

- Normal Retirement Date (NRD) and penalties on pension benefits
- Choosing a beneficiary
- What to do in the event of separation or divorce
- If you leave the organization

Pension Plan – PART-TIME Employees

As a part-time employee, you may opt to join the Plan after two years of employment if your earnings exceed 35% of the Canada/Quebec Pension Plan Yearly Maximum Pensionable Earnings (YMPE) in two (2) consecutive calendar years. If you are a part-time employee, your pensionable service will be prorated to hours worked. The Pension Booklet provides more information. It is your decision to enrol or not. If you are unsure, you may wish to consult a financial planner.