



# RETIREE NEWS

February 2021



## PRINCE EDWARD ISLAND *Public Sector Pension Plan*

(Formerly known as the Civil Service Superannuation Fund)

### QUESTIONS?



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Charlottetown, PE

# New payroll system launching in March

The Pensions & Benefits office is migrating to a modern pension payroll solution in March. This will not affect the date on which your pension is deposited. Please note, individuals who are receiving both a member pension and a spousal pension will now see a separate deposit for each pension.

This new system has some attractive functionality, for example, the system will allow us to expand our online services to include electronic pay advices and electronic T4As. However, the new system will calculate income tax in a slightly different manner as it is specifically configured to process pension income (current system was configured to process regular salary income).

As a result, members with PSPP income over \$13,000 will see a small increase in the amount of tax deducted each month (approx. \$20 per month). This additional income tax will reduce the amount you would otherwise have to pay when you file your personal income tax return.

The pay advice slips will be replaced by deposit notices, which have a different look. You can expect your March deposit notice by mid-April.

### SERVICE ENHANCEMENT

#### Pensioner Information Change Form now available online

A streamlined form has been developed that allows retirees to easily report changes in their name, address, direct deposit information and additional tax deductions to the Pension & Benefits office.

The Pensioner Information Change Form can be found on [www.peipspp.ca](http://www.peipspp.ca) in the 'Forms' section.

# New name, fresh look

Check out [www.peipspp.ca](http://www.peipspp.ca)

The PEI legislature recently passed an amendment to rename the Civil Service Superannuation Fund the Public Sector Pension Plan.

As a result, plan documents including forms and newsletters will be rebranded under the Prince Edward Island Public Sector Pension Plan over the course of 2021.

A new plan website ([www.peipspp.ca](http://www.peipspp.ca)) was also recently launched. We hope you will find the new site to be user friendly, informative and visually appealing.

Please note your bank deposit will now list **PEIPSPP** when your pension payment is deposited each month.

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## Cost-of-Living Adjustment awarded for 2021

Your monthly pension was increased by 2.0% on January 1, 2021.

Cost-of-Living Adjustments (COLA) mitigate the effects of inflation and are awarded each January 1st as long as the prior year valuation shows that the Plan's funded status was over 110%.

The funded status of the plan was calculated to be 113.2% on April 1, 2020.

This pension increase and any federal or provincial tax changes are reflected on the enclosed pay advice.

## Designating a Power of Attorney

There may come a time when you are unable to manage your finances, including your pension. Many retirees choose to be proactive by designating a representative as their power of attorney to manage their financial affairs should they become unable to do so themselves. While it is not mandatory, having a designated power of attorney on file with the Pensions & Benefits office simplifies the process of having someone manage your pension if necessary.

A power of attorney is often a spouse, adult child or a trusted family member. Whoever you choose, discuss your wishes with them so they can act on your behalf as you would see fit.

Before your Power of Attorney can act on your behalf, the Pensions & Benefits office will need:

1. A copy of a Power of Attorney (POA) document.
2. Contact information of your POA, including phone number, email and address.

### PENSIONS & BENEFITS

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