



PRINCE EDWARD ISLAND
ÎLE-DU-PRINCE-ÉDOUARD

**PUBLIC SECTOR PENSION PLAN ACT
ELIGIBLE PRIOR EMPLOYMENT
REGULATIONS**

PLEASE NOTE

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This document is *not* the official version of these regulations. The regulations and the amendments printed in the *Royal Gazette* should be consulted on the Prince Edward Island Government web site to determine the authoritative text of these regulations.

For more information concerning the history of these regulations, please see the *Table of Regulations* on the Prince Edward Island Government web site (www.princeedwardisland.ca).

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**PUBLIC SECTOR PENSION PLAN ACT
CHAPTER P-32.11**

ELIGIBLE PRIOR EMPLOYMENT REGULATIONS

Pursuant to section 28 of the *Public Sector Pension Plan Act* R.S.P.E.I. 1988, Cap. P-32.11, Council made the following regulations:

1. Definitions

In these regulations,

- (a) “**Act**” means of the *Public Sector Pension Plan Act* R.S.P.E.I. 1988, Cap. P-32.11;
- (b) “**eligible prior employment**” means employment of an individual with a participating employer prior to the individual’s entry into the Plan in respect of which no contributions have been made to the Plan. (EC87/18; 607/21)

2. Application

These regulations apply to persons who become members and commence to contribute to the Plan on or after April 1, 2018. (EC87/18; 607/21)

3. Election of member

- (1) Any member who is contributing to the Plan may, within 24 months of commencing to contribute to the Plan, elect, in writing, to purchase eligible prior employment.

Maximum eligible prior employment

- (2) The maximum eligible prior employment shall be equal to the actual number of regular hours worked in the 24 months immediately prior to the date the member commenced contributing to the Plan.

Deadline for payment

- (3) Where a member makes an election to purchase eligible prior employment, the required contributions shall be paid no later than 90 days from the date of the letter informing the member of the cost of purchasing the eligible prior employment.

Limitation

- (4) For greater certainty, employment that is prior to the date a participating employer began participating in the Plan shall not be considered as eligible prior employment. (EC87/18; 607/21)



4. Purchase cost

- (1) The cost to purchase eligible prior employment is equal to the amount that is two times the sum of the base and supplementary contributions required in respect of the member's salary as of the date of the member's election to purchase the eligible prior employment.

Lump-sum payment

- (2) The purchase of eligible prior employment shall be made by a single lump-sum payment.

Where lump-sum payment sufficient

- (3) Where the lump-sum payment is sufficient to cover the entire cost payable under subsection (1), the entire period of eligible prior employment shall be credited to the member as pensionable service.

Where lump-sum payment insufficient

- (4) Where the lump-sum payment is insufficient to cover the entire cost payable under subsection (1), only that portion of the eligible prior employment paid for shall be credited to the member as pensionable service.

Calculation

- (5) The portion of the eligible prior employment to be credited to the member as pensionable service under subsection (4) shall be calculated by applying the ratio of the payment received divided by the total contributions required to the total period of eligible prior employment. (EC87/18)

5. Contributions

Contributions for the purchase of a member's eligible prior employment are in addition to the contributions required of the member under the Act. (EC87/18)

6. Income Tax Act requirement

- (1) Where required under the *Income Tax Act* (Canada), a past service pension adjustment in respect of eligible prior employment purchased by a member shall be filed by the Minister with the appropriate Federal government authorities for their approval.

Approval required

- (2) No benefits shall be paid with respect to eligible prior employment purchased until the Minister has received proof that the past service pension adjustment has been approved by the appropriate Federal government authorities referred to in subsection (1). (EC87/18)

