



PRINCE EDWARD ISLAND *Public Sector Pension Plan*

Highlights for former ESPP Members

QUESTIONS?



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PSPP general interest

- As a result of the recent pension plan merger, you were **enrolled automatically into the Public Sector Pension Plan (PSPP) on Dec. 25, 2021.**
- For this employment group, the PSPP's two-tier **contribution rate** will average almost **1% higher than the 7.2% rate you paid under the ESPP.** Every dollar you contribute is matched by your employer.
- Check your pay advice, or Insite Portal for **deposit date January 20, 2022**, to find out the amount of your bi-weekly contributions. *If you do not see a PSPP contribution listed under before-tax deductions, contact your payroll office.*
- The benefit you earned under the **ESPP will be calculated as at Dec. 25, 2021 and will be indexed at the active PSPP salary indexation rate until retirement**, so long as you remain an active contributor to the PSPP.
- **Your final ESPP pension statement will be mailed to you the summer of 2022.**
 - *This statement will be mailed to the address provided by the ESPP plan administrator.*
- **If you change your address in the future, you must notify Pensions & Benefits.**

Thinking of Retiring in 2022?

1. **Contact the Pensions & Benefits office** to request a pension application.
2. Complete your application and **forward to Pensions & Benefits office.**
 - Within 10 days, you can expect a confirmation email to the address provided on your application. *If you don't receive this email, contact the Pensions & Benefits Office.*
3. It is recommended that you **submit your application to retire 3 months before terminating** your employment.
 - *Please Note - applications received by Pensions & Benefits after your termination date may result in loss of benefit for that period.*

Thinking of Retiring in 2022? - *continued*

- The PSPP allows retirement to start partway through a month, so **your payment start date is the day following your termination date.**
- You can expect your first **direct deposit on the 22nd** of the month following your last pay deposit while an active employee, with benefits payable back to your termination date.
- At retirement, **your indexed ESPP pension will be added to the pension you will earn under the PSPP** to form your total combined pension. These pensions must start at the same time.
- If you retire before age 62, you will face a reduction on that portion of pension you earned in the PSPP after Dec. 25, 2021, while **the ESPP portion of your pension will remain available unreduced at age 60** (*subject to reduction if you choose to retire before age 60*).
- **For those retiring in the next 5 years, you will retain access to the level income option at retirement.** Retirement dates in 2027 and onward will be normal form only. When you are within a year of retirement, and request an estimate, your ESPP level income option information will be included.

Qualifying as a Common-Law Spouse effective January 1, 2025

The PSPP pays survivor benefits to an eligible spouse at the time of your death if active, or to your eligible spouse at retirement. Eligible spouses must satisfy one of the following criteria:

- Criteria #1 - legally married to you; OR
- Criteria #2 - living in a common-law partnership with you for at least three years; OR
- Criteria #3 - living in a common-law partnership with you and with a child of the relationship by birth or adoption.

Regardless of when death occurs, surviving spouses will be required to provide the following supporting information, at death, as follows:

- Under criteria #1 - copy of your marriage certificate
- Under criteria #2 - copy of income tax returns of deceased naming the surviving spouse at common-law and affidavit
- Under criteria #3 - copy of long-form birth certificate of the child(ren) and affidavit

Death occurs prior to 2025

The PSPP will continue to recognize common-law relationships of one year, provided all other criteria has been met, for this employment group.

Death occurs in 2025 and beyond

The PSPP will require that all eligible spouses meet the criteria as itemized above.

PSPP Pension Portal

The Pensions & Benefits office has been receiving some calls requesting access to the PSPP Pension Portal. This functionality will not be available until your 2022 pension data has been loaded into the system, which is anticipated to be done by late Spring 2023.

Did you Know?

In the past, you would periodically contact payroll to submit or update your beneficiary; this is no longer required. Instead, at the time of your death, the PSPP will pay survivor benefits to your eligible spouse and/or dependent children. If you do not have an eligible spouse or dependents, a lump sum payment would be made to your estate.