



Plan Changes

The Municipal Employees' Pension Commission has recommended changes to look after your pension plan.

These changes have been through the Legislative process and will be in place by January 1, 2019.

1) **Members who stop working for a MEPP employer and are eligible for a pension must take the MEPP monthly pension.**

These members may start their pensions either immediately or at a later date. There will not be an option to transfer the value of the pension out of MEPP.

If a member is already eligible to retire, or will be eligible by December 31, 2018 and wishes to transfer his/her pension value out of the Plan he/she must **both**:

- ensure MEPP receives written notice by December 31, 2018 of intent to transfer out his/her benefit; and
- retire by December 31, 2018.

The member statement shows when an individual qualifies for a pension. If a member is not eligible to retire when he/she stops working, then he/she will still have the option to transfer his/her MEPP pension value.

2) **All amounts over the tax-sheltered limit will be paid out and taxable if a member chooses to transfer out of the Plan.**

If a member chooses to transfer his/her pension value out of MEPP, the *Income Tax Act* (Canada) imposes a maximum that is allowed to be transferred tax sheltered. Currently, if a member exceeds this tax sheltered amount he/she may be eligible for a temporary MEPP pension which helps to defer some tax. The temporary pension will no longer be an option, all amounts over the limit will be taxable. Temporary pensions currently in pay will continue.

3) **Excess contributions must be removed from the Plan; no more option to use excess to increase monthly pension.**

When a member stops working the value of his/her pension is calculated and may have excess contributions. Excess is the amount by which any contributions with interest exceed half the value of the member's pension. Currently, excess may be used to increase his/her monthly pension or be transferred out.

4) **No more option to transfer out 50% of pre-1994 contributions and interest.**

These contributions will become part of a member's total pension benefit. If a member chooses a MEPP pension the contributions will be included in his/her monthly benefit at retirement; if a member chooses to transfer out of MEPP, the contributions will be included in his/her transfer amount. Currently, if a member contributed to the Plan before 1994 he/she can transfer 50% of the pre-1994 contributions and interest out of the Plan when he/she stops working.

These changes are to help protect the future of your pension plan. Please contact mepp@peba.gov.sk.ca if you have any questions.

Contribution Rate Increase

The new member and employer contribution rates came into effect July 1, 2018.

- General Members and Employers 9.0%
- Designated Members and Employers 12.5%

*This was a recommendation from the study on Plan sustainability. Regulations have been approved.