



# MEPP MATTERS

Spring 2013

## MEPP 101...understanding the factors impacting *your* pension

The Municipal Employees' Pension Plan (MEPP) is a defined benefit pension plan, which means your pension is calculated using a formula. The MEPP lifetime pension formula includes your Highest Average Salary (HAS), your pensionable service, and the accrual rates in effect during your years of service.

To demonstrate how the pension formula impacts your pension, let's take a closer look at Gail and Susan. They both worked for 30 years, but Gail worked full-time, while Susan chose to work part-time.

### Gail, full-time employee:

Gail started working on January 1, 1983, and retired on December 31, 2012. Gail's annual salary was \$40,000 and her HAS was \$3,333.33 per month.

Using MEPP's Lifetime Pension Formula, Gail will receive a lifetime pension of \$1,620.00 per month\*.

### Susan, part-time employee:

Susan also started working on January 1, 1983, and retired at the same time as Gail. Unlike Gail, Susan worked part time at 60 per cent earning a salary of \$24,000 a year. As a part-time employee, her HAS was adjusted to \$40,000 annually or \$3,333.33 per month.

Curious as to why Susan's HAS is the same as Gail's despite the difference in their actual annual salaries? It's because Susan works part-time and her salary has to be adjusted (annualized) prior to applying the pension formula. Annualizing a salary reflects the amount Susan would have made if she had worked full-time. Because of this, both Gail and Susan have the same HAS of \$3,333.33 per month.

Both women have the same HAS, but their years of pensionable service differ. Gail has 30 years while Susan's pensionable service is only 18 years (60 per cent of 30 years), because she worked part-time.

Susan's lifetime pension would be \$972.00 per month\*, which is 60 per cent or \$648 less than Gail's monthly amount.

This scenario shows how working full-time or part-time impacts your pension benefit calculation at termination or when you decide to retire.

As you plan for retirement, keep in mind how factors such as salary and total years of pensionable service will impact the pension formula and ultimately, your pension benefit.

\* For more information on the Lifetime Pension Formula, refer to page 21 in the MEPP Member Booklet. You can also call or email MEPP for a pension estimate.



## Retire *WithEase* Presentations

Retire*WithEase* is a free retirement-planning workshop available to help MEPP members like you (and your spouse or partner) make a retirement plan.

The workshops are facilitated by Retirement Information Consultants (RICs) who are CERTIFIED FINANCIAL PLANNER® professionals.

Wondering if you would benefit from attending? Here's what some members have said about Retire*WithEase*:

*"Although my retirement is quite far off, I found this extremely useful and interesting. I would recommend the workshop to everyone."*

*"Great day with lots of relevant information; I wish I had attended five years ago!"*

To register or view upcoming workshop dates and locations, visit the website at [www.peba.gov.sk.ca/mepphome.htm](http://www.peba.gov.sk.ca/mepphome.htm) and click on the presentation logo on the right-hand side of the MEPP homepage.

## 2012 In Review

To help you better understand your Plan and let you know what happened last year, we've included a copy of *2012 In Review*. It's a summary of the 2012 MEPP Annual Report. To see the full 2012 MEPP Annual Report or past versions of *In Review*, visit [www.peba.gov.sk.ca/mepphome.htm](http://www.peba.gov.sk.ca/mepphome.htm)

## Did you receive your statement?

The annual MEPP Member Statements were mailed out in early March. If you were an active contributing member as of December 31, 2012, and you did not receive your statement, please contact us.

This year, we added a new section on page two asking you to make sure your MEPP member file accurately reflects your personal situation. If this section indicated that documentation is required, please submit certified copies to our office so we can update your file.

Also, if you are new to MEPP or want more information about key elements of your statement, check out the online video at [www.peba.gov.sk.ca/mepphome.htm](http://www.peba.gov.sk.ca/mepphome.htm)



### We want to do our part for the environment...do you?

This new service is a quick, easy and convenient way to be notified about the latest Plan news. Once you sign up, you will be notified by email when Plan information (like MEPP *Matters*) is available on the website. **To sign up, click on the e-Comm logo on the MEPP homepage.**

## Attention: Pensioners

MEPP recently authorized RBC Investor Services to send a letter asking you, as a MEPP Pensioner, to verify that you are receiving your monthly pension payment from MEPP.

If you have received this letter, but haven't responded yet, please take a few minutes to complete the form and return it. If you haven't received a letter, please contact RBC at 1-800-668-1320 to request a copy.

This newsletter provides general information about MEPP and its operation. It does not replace or supersede the legislation governing the Plan.

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**Hours:** Monday to Friday 8:00 a.m. to 5:00 p.m.

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**MEPP Matters keeps over 23,000 members up-to-date on Plan news and benefits.**