



PRINCE EDWARD ISLAND

Public Sector Pension Plan

July 2022

Newsletter

Annual statements also available on the Pension Plan Portal

The PSPP is transitioning away from mailing statements. The enclosed statement is the final hardcopy that will be mailed to you.

Beginning next year annual pension statements will be posted to your online Pension Plan Portal. You will receive an email notifying you when your next statement is available.

The Pension Plan Portal can be accessed at www.peipspp.ca/portal. You must register if you have not already done so. A video providing step-by-step registration instructions is available on the website.

2023 Salary Indexation Award Announced

The Salary Indexation Award is a Public Sector Pension Plan (PSPP) design feature that contributes to the growth of your average salary for pension calculation purposes over the course of your career and serves to help offset the effects of inflation.

The Plan provides inflation protection by annually adjusting your past earnings when the funded status of the Plan is greater than 100%.

The target indexation award is the increase in average wages in Canada.

The April 2022 valuation reports that the Plan's funded status was well above the 100% threshold and the full target salary indexation of 2.48% shall be awarded.

Funded Status of the PSPP as at April 1, 2022:

127.2%

Salary Indexation Award for the 2023 Pension Year:

2.48%

Employees who remain active to the end of 2023 and beyond will receive the 2.48% award.

Please note, if you retire before the end of 2023 your award will be pro-rated.

Thinking of retiring? Your monthly pension will NOT begin automatically!

Your pension will not start until your application has been submitted to the Pensions & Benefits Office

- **Your responsibility:** ensure your Application for Monthly Pension Benefit is submitted to the Pensions & Benefits Office two months before your chosen retirement date.
- **Our commitment:** the Pensions & Benefits Office will confirm receipt of the application directly to the applicant within 10 days.
- **You should take action if:** your last paid day of employment is approaching and you have not received confirmation. Contact us at (902) 368-4200.

A guide to purchasing service

You may request a Purchase of Service estimate if you are interested in buying back any of the following leaves.

Purchasing service will increase the amount of pension payable to you at retirement and it may allow you to avoid all or part of an early retirement reduction.

The Purchase of Service Application can be found on www.peipspp.ca in the Forms section.

Type of Service	Application Deadlines	Eligible Service Available for Purchase	Cost	Payment Options	
EARLY ELECTION <i>Maternity / Parental / Adoption Leave</i>	Applications submitted <u>within 12 months</u> of the end of the maternity / parental / adoption leave are eligible for this cost and payment options.	Eligible service is based on your guarantee on the date the leave commenced.	<u>One times contributions</u> determined at date of application.	Lump sum payment via personal cheque or qualifying transfer from a personal RRSP.	Bi-weekly payments withheld directly from your pay cheque over a period not greater than two times your leave period. *
LATE ELECTION <i>Maternity / Parental / Adoption Leave</i>	Applications submitted after the above early election period, but <u>no later than 24 months</u> after the end of the maternity / parental / adoption leave, are subject to this cost and payment option.	Eligible service is based on your guarantee on the date the leave commenced.	<u>Two times contributions</u> determined at date of application.	Lump sum payment via personal cheque or qualifying transfer from a personal RRSP	Bi-weekly Not Available
Service Worked Before Becoming a Member	Application must be submitted within 24 months of becoming a member of the PSPP.	Eligible service is based on those regular hours worked over the 24 month period prior to joining the PSPP.	Two times contributions determined at date of application.	Lump sum payment via personal cheque or qualifying transfer from a personal RRSP	Bi-weekly Not Available
Buyback of Non-Vested Refund	Application must be submitted within 24 months of the date of the original refund from the PSPP.	Eligible service equals service from the original refund.	Original gross refund value, plus interest.	Lump sum payment via personal cheque or qualifying transfer from a personal RRSP	Bi-weekly Not Available

* These payments will include interest at the rate in effect at the date of request. If you break the bi-weekly payment contract, you will have 30 days to make a lump sum payment of the remaining balance. You must contact our office to make this arrangement to retain your eligibility to purchase the remaining service.

Statement Correction Form

We recommend that you carefully review your enclosed pension statement. If there are discrepancies, please submit a Statement Correction form to the Pensions & Benefits office.

The statement correction form is available on www.peipspp.ca in the Forms section.

PENSIONS & BENEFITS

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