

## The pension plan

The Public Service Pension Plan (PSPP) is a defined benefit pension plan. This means your pension at retirement will be based on:

- your length of pensionable service; and
- your highest five-year average pensionable salary.

This type of pension plan:

- helps you prepare for your retirement because you can estimate your future pension income;
- provides you with a specified lifetime income upon retirement, regardless of market conditions and how long you live; and
- is funded by member and employer contributions and by investment earnings.

## Who is eligible to join?

You automatically become a member of PSPP if:

- you are a full-time (at least 30 hours per week), permanent employee; or
- you are a full-time employee for a period longer than one year (but not permanent).

You may join the Plan if:

- you are employed on a full-time basis for a predetermined period that is less than a year and your employer has a policy to enrol you; or
- you are a part-time (at least 14 hours per week), permanent employee and your employer's policy allows you to participate.

## PSPP benefit

You need a minimum of two years of pensionable service in PSPP to qualify for a pension at retirement. If you have combined pensionable service (CPS), your pensionable service in the other pension plan will count toward this minimum requirement.

If you are age 65 when you stop participating in the Plan, you qualify for a pension even if you do not have two years of pensionable service.

When you retire, PSPP will pay a benefit to you based on your five-year highest average pensionable salary, length of pensionable service and a legislated benefit rate. The legislated benefit rate is:

- 1.4 per cent on highest average pensionable salary up to the YMPE\*, multiplied by your years of pensionable service; and
- 2 per cent on highest average pensionable salary over the YMPE up to the maximum allowed under the federal *Income Tax Act*, multiplied by your years of pensionable service.

\* *The Year's Maximum Pensionable Earnings (YMPE) is the maximum amount of earnings on which you can contribute to the Canada Pension Plan, as determined by the federal government. PSPP uses the YMPE to determine contribution rates, plan benefits, and the cost of service. The 2020 YMPE is \$58,700.*

Every year, PSPP also provides cost-of-living adjustments to pensions in pay, at a rate of 60 per cent of the increase in the *Alberta Consumer Price Index*. This feature is a significant benefit of PSPP.

If you start working for any employer as a PSPP pensioner, you will continue to receive your pension from PSPP; however if you work for any employer in PSPP or the Management Employees Pension Plan (MEPP), you will not be permitted to contribute to PSPP or MEPP. If you work for any employer under another pension plan, you may be required to contribute to their plan.

## Increasing your PSPP benefit

You may be able to add to your future PSPP pension by increasing your length of pensionable service through the following methods:

- Transfer service from a previous employer to PSPP if a transfer agreement exists.
- Buy optional service. Examples of this may include:
  - previous employment with your current employer;
  - previous employment with another employer who participates in PSPP; or
  - in some circumstances contributory service under another pension plan.
- Continue contributing to the Plan when you are on, or return from, a leave without salary.

## Contribution rates

Member contributions to PSPP are tax deductible. Effective Jan. 1, 2019, contribution rates on pensionable salary for members and employers are as follows:

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Up to YMPE:	10.47%	Over YMPE	14.95%
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Please note: You may only make contributions to the Plan on your pensionable salary up to the maximum amount allowed under the federal *Income Tax Act*. This maximum amount is known as the salary cap. In 2020, the salary cap is \$172,221.00.

## Leaving the Plan

If you terminate your employment and choose to leave the Plan before retirement, you will have various benefit options available to you. Your options will depend on your age and your length of pensionable service. You can read more about termination options at [www.pspp.ca](http://www.pspp.ca).

## Disability

Contact your employer for details on disability benefits and whether you may qualify. Effective July 1, 2007, new participants are not eligible for a disability pension.

## Services provided to members

PSPP members are provided with information on plan investment performance, pension account activity, and benefit options. Members receive publications such as newsletters and annual statements summarizing pension contributions and service.

Once you are a member, you may sign up to use **mypensionplan**. Through this online service, you can view your personal information on length of service, salary, contributions, and beneficiaries. You can also calculate pension estimates using your actual pension account information. You can update your contact information and beneficiary information, and sign up to go green to receive e-mail notification when your annual statement and other publications are available online.

## Contact Information

For detailed information about PSPP, visit [www.pspp.ca](http://www.pspp.ca). Contact your employer or the Member Services Centre, for answers to any questions you might have about PSPP.

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### PSPP's Member Services Centre

**Phone:** 1-877-453-1PSP (1777)

**E-mail:** [memberservices@pspp.ca](mailto:memberservices@pspp.ca)

**Website:** [www.pspp.ca](http://www.pspp.ca)

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*This summary provides general information about the major provisions of PSPP. Please contact your employer or the Member Services Centre for more detailed information on any of the topics covered. If anything in this summary conflicts with the governing legislation, the legislation will apply.*