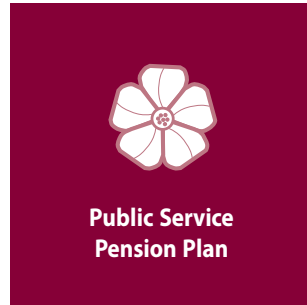


member news



Ambulance Paramedics: understanding your earliest unreduced pension age on your 2020 Member's Benefit Statement

The plan rules for Ambulance Paramedics changed for service earned on and after April 1, 2020. Members have reached out to better understand how the new plan rules affect their member benefit statements. The following information is provided to explain how pension reductions are determined and how to read your 2020 *Member's Benefit Statement*.

Your 2020 *Member's Benefit Statement* provides a summary of the service you earned over the past year (April 1, 2019 to March 31, 2020). It also shows up to four estimates of your lifetime monthly pension if you retire on the dates listed. These estimates assume you continue to earn the same salary and service as the previous year.

The service you earned up to March 31, 2020, remains under the plan rules in effect at the time you earned it. The new plan rules, effective April 1, 2020, apply to new service only—they do not retroactively apply to all of your service. If you worked the same amount of service as previous years, the earliest unreduced pension age listed in your 2020 *Member's Benefit Statement* will be the same as previous years' statements.

Retiring early: the plan rules about pension reductions

If you earned service before the plan rules changed on April 1, 2020, two sets of plan rules will determine any reductions to your future pension. If you decide to retire early, but do not meet the criteria for an unreduced pension, your pension will be reduced. The table below compares the retirement rules before and after the plan rule changes.

		Old rules (applies to service earned up to March 31, 2020)	New rules (applies to service April 1, 2020, onward)
Between 2 and 10 years contributory service	Unreduced early retirement age	60	60
	Earliest reduced retirement age	55	50
	Reduction factor	5% per year from age 60	6.2% per year from age 60
Between 10 and 25 years contributory service	Unreduced early retirement age	60	55
	Earliest reduced retirement age	50	50
	Reduction factor	3% per year from age 60 or rule of 80*	6.2% per year from age 55
More than 25 years contributory service	Unreduced early retirement age	55	55
	Earliest reduced retirement age	50	50
	Reduction factor	3% per year from age 55	6.2% per year from age 55

* The rule of 80 (age plus years of contributory service equals 80 points) applies to service earned up to March 31, 2020, for certain ambulance paramedics. There is no rule of 80 applied to service earned on and after April 1, 2020.

How to read your 2020 Member's Benefit Statement

The *Pension Benefit Standards Act* requires the plan to report out the earliest unreduced pension age when a member is fully eligible for an unreduced pension on all service.

This example shows a member who is 50 years old and has 14 years of contributory service in 2020. Their earliest unreduced pension age is estimated using both sets of plan rules: the plan rules that apply to the service earned up to March 31, 2020, and the new plan rules that apply to service earned after April 1, 2020. The estimate presumes the member will continue to work full time at the same salary level until retirement.

3 Your estimated monthly pension benefit

If you continue to work as you did in	
	Age
Earliest Reduced	50 yrs 6 mo
Earliest Unreduced	58 yrs 2 mo
Unreduced	65 yrs 0 mo
Latest Retirement	71 yrs 1 mo

The pension estimates above are based on the member's service in the past year.

Your **earliest reduced** pension age will always be 50, unless your 50th birthday has passed.
In this case, the statement lists the age of this member as of March 31, 2020.

Your **earliest unreduced** pension age is estimated using two sets of plan rules:

- the service you earned under the old plan rules, up to March 31, 2020, and
- the projected service you will earn under the new plan rules effective April 1, 2020, if you continue to work full time until retirement at the same salary level.

The age listed is when your pension is unreduced according to both sets of plan rules. This is required by the *Pension Benefits Standards Act*.

In this example, with both sets of plan rules applying to these estimated retirement dates, this member is now eligible to retire with a reduced pension. Only the service earned after April 1, 2020, would be unreduced at age 55 (as they have more than 10 years of contributory service). To meet the

We are here for you

The plan website features an early retirement guide for ambulance paramedics in the Planning for Retirement section. Please visit us online at pspp.pensionsbc.ca.

If you have questions about how the plan rules will apply to your future pension, please contact us through Message Centre in My Account or call us toll-free at 1-800-665-3554.

requirements of the *Pension Benefits Standards Act*, this member's statement shows the estimated retirement date they are eligible for an unreduced pension on all service. In this example, it is age 58 and two months.

Learn how different retirement ages affect your pension

My Account is available to most active members and provides secure 24-hour online access to your personal pension information. Once you sign in, you can enter different retirement dates to calculate monthly pension payments for various pension options. The Personalized Pension Estimator is an invaluable tool to help with your retirement planning.

TIP: when the estimator produces estimate details, scroll down and open "Important information about this estimate." This section will break down each part of the calculation using your pension data.

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