

# HI, WE'RE Provident<sup>10</sup>

**WE'RE HERE TO TAKE CARE OF YOUR PENSION TODAY,  
SO YOU'RE WELL PREPARED FOR TOMORROW.**

At Provident<sup>10</sup> we're proud to manage Newfoundland and Labrador's largest pension plan. Our team keeps your retirement at the heart of everything we do and is here to help you understand how the Plan operates and what that means for your future.

Whether you're just starting out in your career, transitioning into a new role, or getting ready to retire, this document will serve as an introduction to the Plan and the benefits that come with being a member.

## 10 THINGS TO KNOW ABOUT YOUR PSPP

# 1

### WHO CAN JOIN THE PLAN?

Once you're employed with a participating employer on a full-time basis, including full-time seasonal work, you can become a member of the Public Service Pension Plan, or PSPP for short. We suggest speaking with your employer for more details on when you may be eligible to join.

# 2

## WHAT IS A DEFINED BENEFIT PENSION PLAN?

A defined benefit pension plan means you're eligible to enjoy your pension benefits from the time you retire for the rest of your life—without having to worry if your benefits will run out or be terminated.



# 3

## HOW MUCH WILL I PAY INTO THE PLAN?

The pension that you'll receive from the PSPP is integrated with retirement benefits that are payable from the Canada Pension Plan (CPP), up to the Year's Maximum Pensionable Earnings (YMPE). As a result, your contributions to the Plan also recognize contributions made to the CPP. Below is the breakdown of the Plan's contribution rates at different earning levels.

- » 10.75% of your earnings up to the Year's Basic Exemption (YBE). The YBE is the portion of your earnings upon which no CPP contributions are required
- » 8.95% of your earnings in excess of the YBE up to and including the YMPE
- » 11.85% of your earnings in excess of the YMPE

Let us show you how those percentages work in a real life example.



## CALCULATION OF PENSION CONTRIBUTIONS FOR PENSIONABLE EARNINGS OF \$70,000

10.75% of earnings up to YBE	$10.75\% \times 3,500$	\$376.25
8.95% of earnings between YBE and YMPE	$8.95\% \times (61,600 - 3,500)$	\$5,199.95
11.85% of earnings above YMPE	$11.85\% \times (70,000 - 61,600)$	\$995.40
<b>Total pension contribution</b>		<b>\$6,571.60</b>



# 4

## WHEN CAN I RETIRE?

The timing of your retirement depends on a few factors, such as your age, years of service under the Plan, and when you joined the Plan. Like a fingerprint, everybody's retirement will look a little different and you should speak to a knowledgeable team member at Provident<sup>10</sup> to get your specific details. Here are some general categories:

### **NORMAL RETIREMENT**

The "normal" retirement age at which all Plan members with five or more years of pensionable service are eligible to retire with an unreduced pension is 65.

### **EARLY REDUCED OR UNREDUCED RETIREMENT**

The Plan provides a number of early retirement options to give you flexibility when you're deciding it's time to retire. In general, members can retire without reduction at age 60 if they have 10 years of service, or age 58 if they have 30 years of service. All members with at least five years of pensionable service can retire as early as age 55, though this will normally mean that an early retirement reduction will apply.

Curious about what retiring early could mean for you? You can find more details on your Annual Pension Statement or in the [Plan Member Handbook](#), which can also be found on our website. You can also [connect](#) with our team to discuss the options available.

## HOW MUCH WILL MY PENSION BE?



# 5

The formula for calculating your pension is as follows:

### **2% of your Highest Average Earnings (HAE) x years and months of credited pensionable service**

Your HAE is the average of the highest six, 12-month periods of earnings while participating in the Plan based on your date of retirement.

Some exceptions will apply to this simple calculation. For an estimate of your pension, visit our online pension calculator on our website, [provident10.com](https://provident10.com).

The Plan is also integrated with the CPP on earnings up to the YMPE. Therefore, a portion of your pension (the offset) will stop upon reaching age 65. The CPP offset is also referred to as the “bridge benefit” as it’s the portion of your pension that is paid by the Plan from your retirement date up to age 65. Details can be found on your Annual Pension Statement.

# 6

## CAN I PURCHASE PAST SERVICE?



Yes. Under the PSPP you can recognize prior service if the service is pensionable (as defined by the [Plan Text](#)) and you’re an active Plan member when making the purchase. Here are some examples of prior service that may be eligible for purchase:

- » Authorized leaves of absence
- » Prior service in the Plan for which you took a refund or transfer
- » Periods of service with an employer that participates in a pension plan sponsored by the Government of Newfoundland and Labrador
- » Periods of service that remain in a pension plan of a prior employer

When in doubt, [connect with our team](#) and we can help you understand if your past service is eligible.



# 7

## WHAT HAPPENS IF MY MARRIAGE ENDS?

Divorce is a significant life event and it's important to understand how it can impact your retirement benefit.

Pension benefits acquired while you're married are considered matrimonial property, and as a result, may be subject to division if your marriage ends. The division of pension benefits is not automatic and will only occur as directed by a court order or separation agreement.

If you're seeking legal guidance on dividing your pension assets, you may be required to obtain an assessment of your pension benefit. Though we cannot provide you with legal or financial advice, we can provide the information you need to make a decision with your legal counsel.

# 8

## WHAT HAPPENS TO MY PENSION IF I LEAVE MY JOB?

### **IF YOU HAVE LESS THAN FIVE YEARS PENSIONABLE SERVICE**

A person with less than five years of pensionable service is known as a non-vested member. If your employment is terminated and you're not vested, you're entitled to your contributions with interest. You'll have several options and may choose between a refund (less withholding tax), a transfer to your RRSP, or a pension plan sponsored by your new employer (if they're able to accept such transfers). Alternatively, you may leave your contributions in the Plan in the event you become re-employed on a full-time basis with an employer participating in the PSPP.

### **IF YOU HAVE FIVE OR MORE YEARS OF PENSIONABLE SERVICE**

If you have at least five years of pensionable service credited in the Plan, you're a vested member and have earned the right to a lifetime pension. If you're eligible to receive an immediate unreduced pension at your date of termination, you'll start to receive your lifetime pension.

In all other cases, we'll provide you with an individualized summary of the options that are available to you. This may include a deferred unreduced pension, a reduced early retirement pension as early as age 55, and options for transferring your entitlement out of the Plan.

We understand this is an important decision and we're happy to provide you with the necessary information to allow you to make an informed choice in a timely manner.



# 9

## WHAT HAPPENS TO MY PENSION IF I DIE?

When we think of planning for the future, we also have to think of how our spouse or family would be provided for in the event of a death. Below are the benefits available within the PSPP if you should die before retirement or while receiving your pension.

### **DEATH BEFORE RETIREMENT**

Your estate will receive a refund of your contributions and interest if you die before you reach five years of pensionable service.

If you have at least five years of pensionable service, your principal beneficiary will have a choice between receiving a survivor pension equal to 60% of your lifetime pension, or a lump sum payment equal to the value of your entitlement under the Plan.

If you don't have a principal beneficiary at the date of death, the value of your entitlement will be paid to your estate.

## DEATH AFTER RETIREMENT

If you die after retirement, your surviving principal beneficiary will receive a survivor benefit, equal to 60% of your pension, that is payable for life.

In the absence of a principal beneficiary, your dependent children will receive a survivor benefit equal to 60% of your pension. For a dependent child, the benefit is payable until the child reaches age 18 or, if a child is in full-time attendance at a recognized school or post-secondary institution, until the course of study is completed, or the child reaches age 24, whichever comes first.

# 10

## WHAT SHOULD I DO TO TAKE CARE OF MY PENSION?

When it comes to your pension, taking care of it is what we do best. But there are still a few things you can do too:

1. When you first join the Plan, take some time to learn about the different benefits and provisions that come with membership. This resource is a great place to start, but be sure to also check out [our website](#) and the [Plan Member Handbook](#).



2. Each year, we send active Plan members an Annual Pension Statement so you can keep track of your contributions to the Plan, your years of service accrued in the Plan, and your anticipated retirement date. If you miss a statement or notice incorrect information, it's important to email our team at [pensions@provident10.com](mailto:pensions@provident10.com).
3. In the months leading up to your retirement date, make sure you consult with your Human Resources Department and connect with our team to review your Annual Pension Statement—making sure everything is in order. Once you're ready to apply for retirement, your employer will send your pension application to us a couple of months before your retirement date to make sure you're all set for the big day!

If you ever have questions for us about your pension or the PSPP, we're always here to help, whether you're new to the Plan or are planning for retirement.

**Disclaimer:** The terms of the Plan are detailed in the Plan Text of the Newfoundland and Labrador Public Service Pension Plan and certain legislative requirements are provided under the Public Service Pensions Act, 2019 (the Act). In case of a discrepancy between this document and either the Plan Text or the Act, the Plan Text, the Act, and other Plan documents will prevail.



## WANT TO LEARN MORE?

Here's where you can get further details about [the Plan](#) itself.



[Plan Member Handbook](#)



[Plan Text](#)



[Our Website](#)



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