QUICK REFERENCE GUIDE:

Retirement

Congratulations! You've worked hard and now you're getting ready to retire. We're here to support you. We've compiled key information and resources within this guide to help you fully understand your pension benefits and prepare for retirement.

To help you prepare for retirement, follow these simple steps:

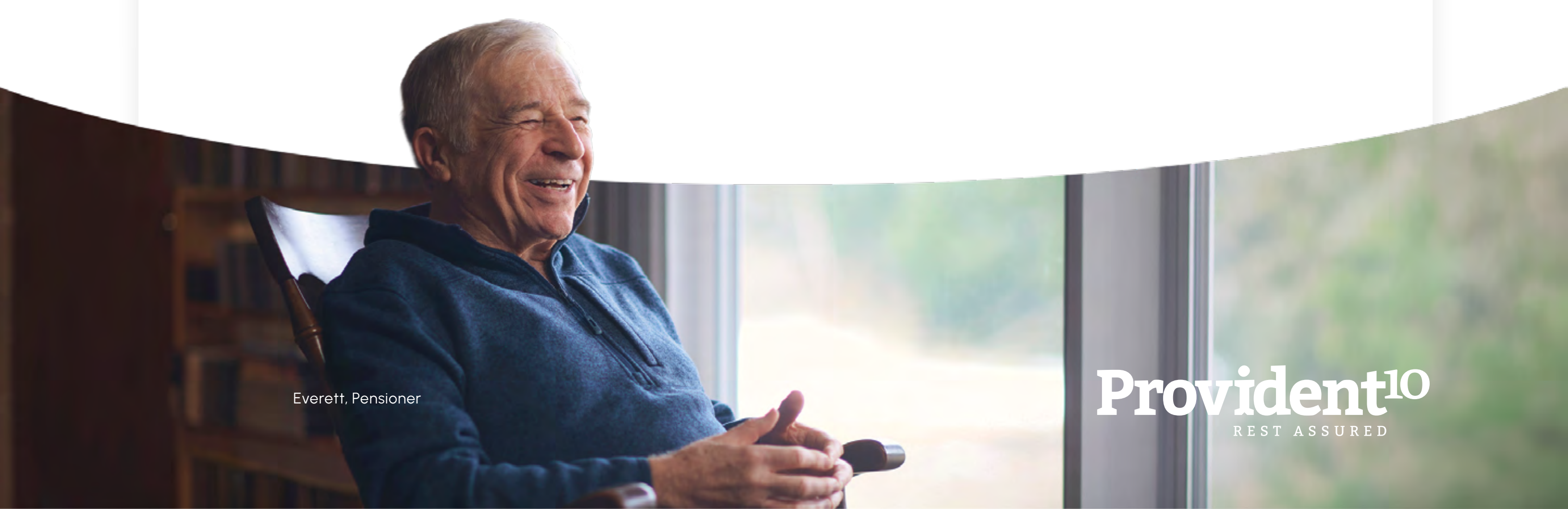
1 **Verify your retirement eligibility date:** Your retirement eligibility date appears on your Annual Pension Statement as the "Early unreduced retirement date."

2 **Use the pension calculator:** At **Provident10.com** you will find a pension calculator which will give you an estimate of your pension benefits.

3 **Review retirement resources:** To better prepare for your upcoming retirement, visit **Provident10.com**. Here you will find resources to support you as you get ready for the next chapter.

4 **Submit paperwork:** After you submit your official letter of resignation to your employer, you must also send your employer a completed direct deposit form, a VOID cheque, and a copy of your birth certificate.

5 **Retirement Application:** After you have completed steps 1 to 4, it's important to ensure your employer has completed AND submitted your Retirement Application.



Everett, Pensioner

Thinking about **retirement?**

Here's what you should know before you begin.

UNDERSTANDING YOUR ANNUAL PENSION STATEMENT

We suggest you review the following sections on your statement to ensure accuracy:

- Name and mailing address
- Personal information
- Your retirement benefits
- Your credited service
- Your Highest Average Earnings
- Your contributions summary
- Your survivor benefit

Need more help? Visit **Provident10.com**.

HOW TO CALCULATE YOUR PENSION BENEFIT

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 twelve-month periods of earnings while participating in the Plan. Some exceptions will apply to this simple calculation.

UNDERSTANDING YOUR CONTRIBUTIONS TO THE PLAN

Contributions to the Plan are based on the following formula:

- 10.75% of your salary up to the year's basic exemption (YBE). This is the portion of your earnings on which no CPP contributions are required.
- 8.95% of your salary in excess of the YBE up to and including the Year's Maximum Pensionable Earnings (YMPE).
- 11.85% of your salary in excess of the YMPE.

*YBE is 3500 and the yearly YMPE can be found on the CRA website.

PENSION CALCULATOR

at **Provident10.com**

It's easy to get an estimate of your pension.

Using your annual pension statement and the calculator on our website, simply enter your credited service (in months) and your six-year average pensionable salary, rounded to the nearest dollar.

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REST ASSURED

PENSION ELIGIBILITY UNREDUCED RETIREMENT OPTIONS

- Age 65 – must have ≥5 years of credited service
- Age 60 – must have ≥10 years of credited service
- Age 58 – must have ≥30 years of credited service

REDUCED RETIREMENT OPTIONS

- If between age 53 and 58 with ≥30 years of credited service
- If between age 58 and 60, with <30 years of credited service and Age + Service = 88 years

An early reduced retirement may be available if you do not meet the criteria for an unreduced retirement. If you qualify, it would mean that a reduction (0.5% for each month you are less than age 58 or 60) will be applied to the calculated pension and not to the accrual.

The reduction is calculated based on your current age and how many months you are less than age 58 or 60, and the years of pensionable service in the PSPP. Plan members can still purchase additional voluntary contribution accrual by emailing **pensions@provident10.com**.

NOTE: some members are "grandparented" under the "old Plan" retirement options. Contact us to see if you qualify.

OTHER RETIREMENT OPTIONS

1. **Actuarially reduced pension**
   All members are entitled to retire as early as age 55 if they are vested. If you do not satisfy If you do not satisfy any of the criteria, your immediate pension in this case will be reduced based on actuarial assumptions, including: age at date of termination, years of accrued service, months until unreduced retirement, mortality, and interest rate.
2. **A pension paid at age 71**
   Under the Income Tax Act (Canada) and Regulations, pension payments must begin no later than the end of the calendar year in which the member reaches age 71.

BRIDGE BENEFIT

If you retire before the age of 65, your Plan pension will include a bridge benefit. This is payable until the end of the month in which you reach age 65.

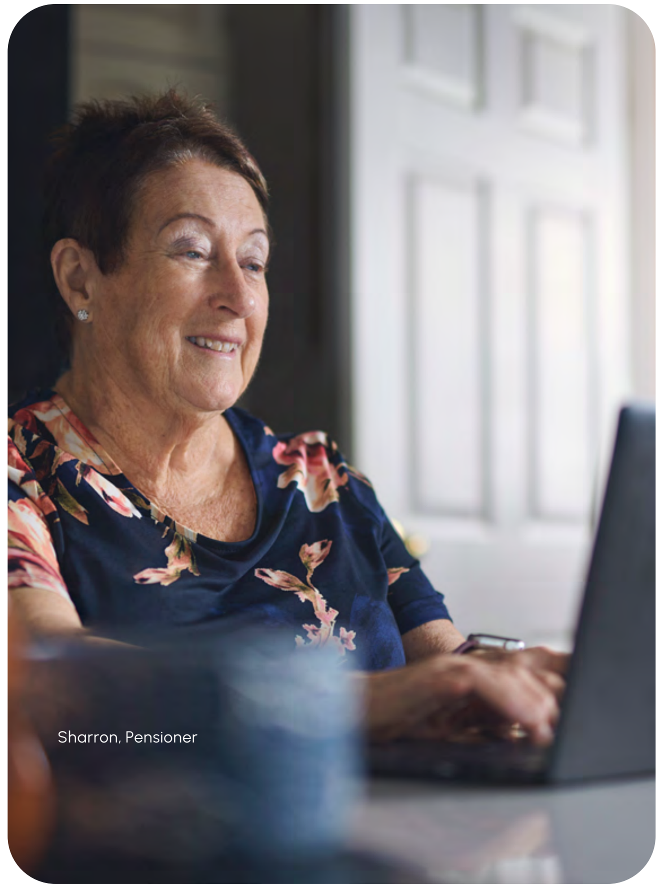
While the bridge benefit is often referred to as the "Canadian Pension Plan or CPP offset", it is an unrelated payment. Instead, it is intended to supplement your pension income until you reach 65, at which point most individuals will be receiving CPP benefits.

WHAT IS THE PROCESS TO RETIRE?

Provident10 must receive a Retirement Application and all required documents from your employer seven weeks in advance of your first pension pay date. The following supporting documents are to be provided to your employer at time of application:

- Photocopy of birth certificate or valid passport
- Direct Deposit form (VOID cheque or personal banking slip)

New pension benefits are payable on the 15th of each month.



Sharron, Pensioner

HOW MUCH MONEY WILL I NEED?

It is often suggested that if, in retirement, your total household gross income is 50% to 70% of the total household gross income you received when working, your lifestyle should be minimally impacted.

WHAT WILL MY NET PAY BE?

Use the Canada Revenue Agency Payroll Deductions Online Calculator to calculate federal, provincial (except for Quebec), and territorial payroll deductions. It will confirm the deductions you include on your official statement of earnings. To determine your semi-monthly pension benefit, divide your annual pension by 24.

FUTURE SOURCES OF INCOME TO CONSIDER

Canadian Pension Plan (CPP)

- Qualify between 60 and 70

Old Age Security (OAS)

- Qualify between 65 and 70

Registered Retirement Savings Plan (RRSP)

- You must start withdrawing from any RRSPs the year you turn 71

Tax Free Savings Account (TFSA)

- There is no requirement for when you must start withdrawing from TFSAs

RECAP PROCESS AND CO-ORDINATION OF ALL BENEFITS

Pension, Bridge, Indexing, CPP, OAS, Personal)
Assume retirement at 58