

The Year in Review

2011 was a very busy year for MEBP. Staff faced the challenge of implementing two large sets of plan changes: *The Pension Benefits Act* and Pension Benefits Regulation (PBA) amendments, which came into effect May 31, 2010 and new plan provisions approved by the MEBP Board of Trustees, which came into effect January 1, 2011.

We have focused our attention on interpreting and identifying the impact of these changes and on implementing them in a timely and efficient manner. We are still in the process of reviewing and updating our plan texts, employer manual, employee booklets and our website. Also, underway are major changes to our computer systems. This work will continue into 2012.

Municipal Employees Pension Plan – Beneficiary Designation and Change Form #25

Effective January 1, 2011, MEBP introduced a new **Beneficiary Designation and Change Form #25** (the form has recently been revised and an updated copy is enclosed). This form is to be used by new members to designate a beneficiary for the pension plan. It can also be used by current or deferred members to make changes to their pension plan beneficiary designation. The form is available on the MEBP website and from your employer. The following is a summary of some commonly asked questions about **pre-retirement death benefits**.

Who can I name as the beneficiary of my pension plan?

The MEPP follows the requirements set out in Section 21 (26) of *The Pension Benefits Act* and Regulations of Manitoba (PBA), when paying a pre-retirement death benefit.

Spouses and common-law partners have legislated rights under PBA, which cannot be changed by a Will or Court Order. The PBA states that a pre-retirement death benefit must be paid to your spouse or common-law partner regardless of who you have named as a beneficiary **UNLESS**;

- at the time of death you were living separate and apart from your spouse or common-law partner due to a relationship breakdown **or**
- your spouse or common-law partner signed a written waiver to give up his/her rights to the pre-retirement death benefit and the waiver has not been revoked.

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Tips for Registered On-Line Users

To bookmark the site for MEBP On-Line Services on the website, you must bookmark the homepage: www.mebp.mb.ca

Please note that book marking 'mypension.ca' will not access your information.

MEBP NEWS is published for members of the Municipal Employees Benefits Program. Comments or suggestions are welcomed.

Municipal Employees Pension Plan – continued

If you do not have a spouse or common-law partner, you may designate someone else as a beneficiary. You may name one or more people, your estate or an institution. If you name more than one person, please specify the percentage you would like each person to receive. If you do not specify a percentage, the benefit will be split equally amongst the named beneficiaries.

Who is considered to be a spouse or common-law partner?

A **Spouse** is a person who is legally married to you.

A **Common-Law Partner** under the *PBA* is defined as

- a) a person who, with the member or former member, registered a common-law relationship under section 13.1 of *The Vital Statistics Act*, or
- b) a person who, not being married to the member or former member, cohabited with him or her in a conjugal relationship
 - (i) for a period of at least 3 years, if either of them is married; or
 - (ii) for a period of at least 1 year, if neither of them is married.

If you are not sure whether someone qualifies as a spouse or common-law partner under these definitions, or if you think there is more than one person who qualifies; you may wish to seek legal advice.

How does a relationship breakdown affect my pension plan beneficiary designation?

A pre-retirement death benefit will not be payable to your spouse or common-law partner if you and your spouse or common-law partner were living separate and apart at the date of your death by reason of a relationship breakdown.

If you have experienced a relationship breakdown, please review your beneficiary designation information and submit a Form 25 to make any necessary changes. Beneficiary designations should also be reviewed if you are a member of the Group Insurance Plan.

A marriage or common-law relationship breakdown may affect your MEBP pension benefits. If you would like additional information, please contact MEBP.

Can my spouse or common-law partner waive (give up voluntarily) benefits that he/she is entitled to receive under the PBA?

Your spouse or common-law partner who is (or may become) entitled to receive a pre-retirement death benefit, can waive

entitlement to the benefit by signing and filing with MEBP a **Waiver of Pre-Retirement Death Benefit Form (#26)**, which can be obtained from the MEBP website or by contacting MEBP.

For example:

Sam and Harriet were married for five years when Sam died. Sam was a member of the MEPP. Sam and Harriet did not have any children; however Sam had two children from a previous marriage. Prior to his death, Sam and Harriet had decided that Sam's children would receive the death benefit from the MEPP.

Sam changed his pension plan beneficiary designation from Harriet to his children, by submitting a **Pension Designation and Change Form (#25)** and at the same time Harriet completed and filed a **Waiver of Pre-Retirement Death Benefit Form (#26)** with the MEPP. Harriet waived (voluntarily gave up) her right to the pre-retirement death benefits so that Sam's children could receive the death benefit.

Special Note:

The Office of the Superintendent – Manitoba Pension Commission manages the day-to-day administration of The Pension Benefits Act of Manitoba. This act governs Manitoba's workplace or registered pension plans run by employers, groups of employers or unions for their employees or members. The Pension Commission has confirmed to MEBP that if a spouse or common-law partner signs a waiver form they cannot be named as a beneficiary to their spouse's pension plan.

If in the previous example, Harriet had signed the waiver form and Sam had decided to name Harriet and his children as the beneficiaries, only the children would be paid a death benefit from the plan. Harriet would be excluded.

Can a Waiver of Pre-Retirement Death Benefit be revoked?

The waiver can be revoked by your spouse or common-law partner prior to your death. Your spouse or common-law partner can revoke the waiver by filing with MEBP a written revocation signed by you and your spouse or common-law partner who granted the waiver. The **Revocation of Waiver Form (#27)** can be obtained from the MEBP website or by contacting MEBP.

How are pre-retirement death benefits paid?

If you are an active or deferred pension plan member who has a spouse or common-law partner at the date of death, your spouse or common-law partner will have the following options when it comes to the payment of the pre-retirement death benefit:

1. receive a lifetime monthly pension payment from the MEPP, which will stop upon the death of your spouse or common-law partner **or**,
2. receive a one-time lump sum payment that may be transferred to a Locked In Registered Account (LIRA), with a financial institution.

If you are an active or deferred pension plan member who does not have a spouse or common-law partner at the date of death, the pre-retirement death benefit will be paid as a one time taxable lump sum cash payment to your designated beneficiary or to your Estate.

What if the person I wish to designate as my beneficiary is a minor?

If your named beneficiary is under the age of 18, a trustee appointment is required on Form 25. If the beneficiary is under the age of 18 at the time of your death, the pre-retirement death benefit will be issued to the named trustee on behalf of the beneficiary. It is the trustee's responsibility to administer the funds once they are paid from the MEPP.

Can I designate a contingent beneficiary under the Pension Plan?

Yes, a member may designate a contingent beneficiary under the MEPP. The contingent (alternate) beneficiary must be clearly stated on Form 25 or on a signed and dated attachment to the form.

If the member and the designated beneficiary die at the same time, or if the order of death cannot be proven; the named contingent beneficiary (if any) will be entitled to the death benefit payable. If a contingent beneficiary is not named, then the benefit will be paid to the member's estate.

If the designated beneficiary dies at least 30 days or more after the member dies; the designated beneficiary's estate will receive the death benefit.

If the designated beneficiary dies after the member dies but within 30 days of the member's death, the named contingent beneficiary (if any) will be entitled to the death benefit payable. If there is no named contingent beneficiary, then the member's estate will receive the death benefit.

Focus on Benefits

In this edition of MEBP News we focus on the requirements which have to be met in order to qualify for retirement benefits from the Pension Plan.

Please note that a termination of employment must take place in order to apply for retirement benefits (special rules apply to members who retire at age 71 - discussed below).

MEBP Pension Plan – Retirement Dates

1) Normal Retirement Date

This is the date on which a member is 65 years of age. A member can apply to start receiving a monthly pension benefit if they are age 65.

2) Early Retirement Date - Unreduced Pension

You may retire with an unreduced pension benefit if you are age 60 or older and have 5 or more years of service. An unreduced pension means that the pension benefit you earned has not been adjusted due to early retirement. Early retirement is considered to take place at anytime prior to reaching age 65.

3) Early Retirement Date – Rule of 80

You may retire with an unreduced pension benefit if you meet your Rule of 80 date. Your Rule of 80 is calculated based on your years of service and age. Breaks in service may affect your Rule of 80 date.

4) Early Retirement Date – Reduced Pension

You may retire with a reduced pension benefit after reaching age 55. If you have 5 or more years of service, your pension benefit will be reduced by a percentage based on the number of months that your early retirement date precedes your 60th birthday.

If you retire between the ages of 55 and 65 and **have less than 5 years of service**, your pension will be reduced by an amount equal to the actuarial equivalent of the pension that would have been payable at age 65.

5) Postponed Retirement Date

You may retire after age 65 but must start collecting your retirement benefit by the end of the year in which you turn age 71. At age 71, you do not have to terminate your employment in order to start receiving your retirement benefits from the Pension Plan.

Bridge Benefit

The bridge benefit is a supplementary benefit paid to members retiring from active status who are under the age of 60 on their retirement date. The bridge benefit is paid monthly to age 60 and is applied to all pension options available at retirement. It provides additional income until age 60, at which time you are eligible to apply for the Canada Pension Plan. At age 60, the MEPP will stop paying the bridge benefit and your monthly pension benefit will be adjusted.

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MEBP Staff News

We wish to welcome back Melissa Wollmann, who has returned from a one year leave of absence.

MEBP Staff would also like to welcome Donna Harrowen, City of Brandon and Brad Collett, City of Dauphin who became Board Trustees effective January 1, 2011. Donna and Brad replace Grant Thorsteinson and Eric David.

We wish to thank Eric and Grant for all their hard work during their terms.

Tips for Members

Please be advised that effective January 1, 2012, the Federal Government will start implementing changes to the Canada Pension Plan. For more information, please contact Service Canada toll-free at 1-800-622-6232 or visit the Service Canada website at www.servicecanada.gc.ca

Focus on Benefits - continued

The bridge benefit is not required to be repaid to the plan.

MEBP Pension Plan – Termination Options

If you do not meet the retirement requirements and you terminate your employment, you are entitled to receive termination options from the Pension Plan.

PROGRAM STAFF:

Rose Neufeld

Executive Director
Policies, Plan Interpretation
Ext. 207
rneufeld@mebp.mb.ca

Marisa Aiello-Nicholls

Senior Benefits Administrator
Counselling & Communications,
Buy-Backs, Relationship
Breakdowns
Ext. 206
marisa@mebp.mb.ca

Elaine Graham

Benefits Administrator
Terminations, Employee
Deaths, Annual Benefit
Statements & Year End
Reporting
Ext. 240
egramham@mebp.mb.ca

Jo-Ann Barilla

Benefits Administrator
Disability Applications,
Year End Reporting
Ext. 209
jbarilla@mebp.mb.ca

Melissa Wollmann

Benefits Administrator
Reciprocal Transfers,
Retirements, Pensioner Deaths,
Pension Estimates, Year End
Reporting
Ext. 244
melissa@mebp.mb.ca

Laura Tonnellier

Benefits Administrator
Contribution Remittances,
Enrolments, Data Changes,
Group Insurance Applications
& Claims, Seminars &
Website On-Line Services
Administration, Money
Purchase Plan, Year End
Reporting
Ext. 208
laura@mebp.mb.ca

Welcome New Employers

The MEBP Board and Staff would like to welcome the following new employer to the Program:
Manitoba Federation of Labour
Who began participating in the pension plan effective December 20, 2010

BOARD OF TRUSTEES:

Member

Representatives

Jack Kehler

Chair
Manitoba Municipal
Administrators Association
City of Steinbach

Donna Harrowen

Elected Representative
City of Brandon

Brian Ellis

C.U.P.E.
Winnipeg

Brad Collett

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Employer

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Mel Klassen

Association of Manitoba Municipalities
Mayor, Town of Altona

Bert Lagimodiere

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Municipalities
Councillor, Town of The Pas

Roger Wilson

Association of Manitoba Municipalities
Reeve, R.M. of Birtle



MEBP NEWS

Municipal Employees Benefits Program
1200 - 444 St. Mary Ave
Winnipeg, MB R3C 3T1
Phone: 946-3200 (Wpg.)
Fax: 204 - 945-5370
Toll Free: 1-800-432-1908
Website: www.mebp.mb.ca