

Pension Life

Your continued connection to your plan

The Public Service Pension Plan Newsletter for Retired Members

Summer 2018

HIGHLIGHTS

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Pension payments 2018

July	30	October	30
August	30	November	29
September	27	December	21

Your pension payment is deposited directly to your bank account on the second-to-last business day each month—except in December, when we deposit your payment two business days before December 25.

If you are still receiving a cheque, and you have a Canadian or U.S. bank account, visit My Account and sign up for direct deposit to ensure there is no delay in receiving your pension payment.

Though we process direct deposit payments for plan members living in the United States, we cannot guarantee payment arrival dates. Your deposit date may vary from the scheduled date depending on U.S. bank processing requirements.

- Sign up for direct deposit at myaccount.pensionsbc.ca



Get the straight talk on retirement and pensions on our blog.
pspp.pensionsbc.ca/boom

Changes to your plan

Recently announced changes may benefit you

In March, we announced important changes to your pension plan.

In January, the board decided to improve lifetime pensions for members, as a result of the plan's \$1.9 billion valuation surplus. (See "Your plan is strong" below.) This change is effective October 1, 2019, and may benefit you as a retired member.

On January 24, 2018, the plan partners—BC Government and Service Employees' Union and the provincial government—also agreed on changes that affect active members effective April 1, 2018.

Changes effective October 1, 2019

For members with pensionable service between **April 1, 2006 and March 31, 2018**, inclusive, your pension will be amended to reflect two changes:

- A 1.65 per cent accrual rate, up from 1.35 per cent, on pensionable

salary below each year's maximum pensionable earnings. This will improve lifetime pensions. **If you are age 65 or older, you will see a higher lifetime pension.** On average, pension payments will increase about \$65 per month.

- A corresponding bridge benefit accrual rate decrease from 0.65 to 0.35 per cent. Why a decrease? According to Canada Revenue Agency regulations, the total accrual rate (new pension rate of 1.65 per cent plus new bridge rate of 0.35 per cent) cannot exceed two per cent.

Surplus funds for this past-service improvement cover future adjustments only. These changes are effective going forward; there will be no retroactive payments.

This improvement affects more than 20,000 retired members and will take considerable
(continued on page 2)

Your plan is strong

The plan's most recent valuation shows its funded ratio is 108 per cent

The valuation, conducted as at March 31, 2017, reflected solid results that demonstrate the plan's strong financial health. The board governs the plan responsibly to ensure it remains healthy for all members.

The valuation showed that the plan's basic account, which pays lifetime pensions, had actuarial assets of about \$24.7 billion and actuarial liabilities of about \$22.8 billion, resulting in a surplus of about \$1.9 billion.

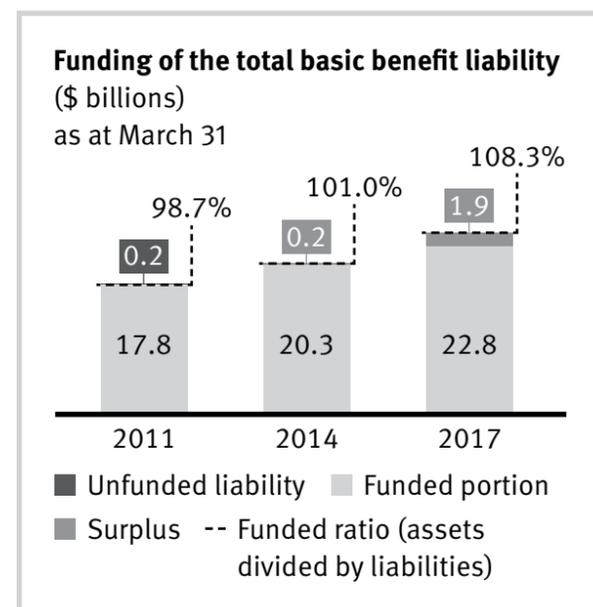
The board examined options available under the plan's joint trust agreement for the surplus funds. It decided to allocate surplus funds as follows:

- About 40 per cent will go to improving the pension benefit
- About 60 per cent must stay in the plan to comply with the *Pension Benefit Standards Act* and protect against future market volatility

As part of the valuation, the actuary also reviewed the inflation adjustment account (IAA). The board is pleased to report that the IAA is also in a strong position. Inflation

adjustments are funded by the IAA. Annual adjustments are not guaranteed; however, once granted, they become part of your lifetime pension.

- For more information on valuation results, visit pspp.pensionsbc.ca/valuation-report



How EHC subsidies are funded

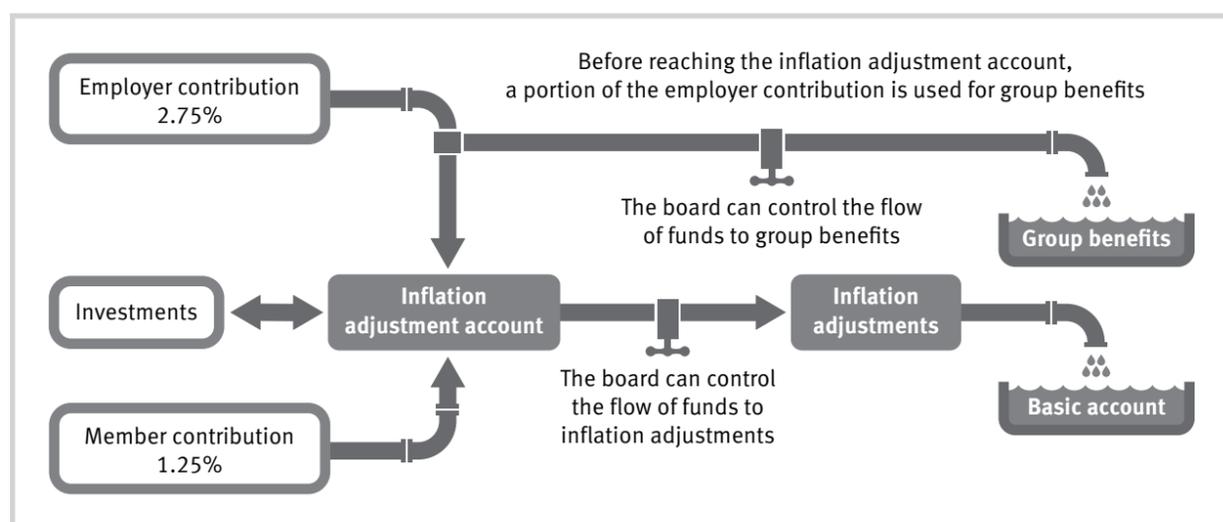
As a retired member, you have access to optional extended health care (EHC) and dental coverage through the plan. You may be eligible for subsidized monthly premiums for EHC based on your years of pensionable service.

How exactly are EHC subsidies funded? The plan takes part of the current employer contributions to fund these subsidies. Employer contributions are used two ways—one part subsidizes retirement group health benefits (i.e., EHC premiums); the other part funds the inflation adjustment account (IAA), from which inflation adjustments are paid. (See diagram below.) Member contributions and investments cannot be

used for retirement group health benefits. Because funding for these health benefits is limited, the board is currently reviewing the retirement group health benefits program to ensure it is sustainable for current and future retired members.

It's important to remember that EHC and dental coverage is not guaranteed because it is not pre-funded. This means coverage can change—or be eliminated—at any time, and your premiums and deductibles may increase or decrease.

There is nothing you need to do at this time. Your plan is fully funded and your basic lifetime pension is secure. (See “Your plan is strong” on page 1.)



Your monthly deductions

We deduct income tax from your monthly pension payment according to Canada Revenue Agency (CRA) requirements.

Send us a TD1 or TD1BC *Personal Tax Credits Return* form or advise us in writing if you would like to change the amount of tax we deduct from your pension. Note that if you have additional forms of income, including old age security or Canada Pension Plan payments, you might be in a higher tax bracket and owe more tax to CRA. We recommend you seek professional advice from an independent financial advisor before making any decisions about tax deductions.

If you move out of BC to another province or territory, we will withhold tax at the rate for that province or territory; you may see a change in your pension payments. If you live outside Canada, we will use tax withholding rates given to us by CRA for the country you live in.

- Download forms or get more information at canada.ca or call 1-800-959-8281

Health coverage: the basics

Confused about BC's Medical Services Plan (MSP) and your extended health care (EHC) coverage? Here are some basic facts.

MSP—basic required insurance

Enrolment with MSP is mandatory for all eligible BC residents and their dependants.

MSP insures medically required services. These include necessary services provided by physicians, dental and oral surgery performed in a hospital, eye examinations (if medically required), and some orthodontic services. Diagnostic services performed at approved facilities are also covered.

- For more information, visit hibc.gov.bc.ca

EHC—extra coverage

EHC coverage is optional. It covers a portion of prescription drugs and other health-related expenses, offering added protection against unexpected health expenses. Retired members must be receiving a monthly pension to be eligible for group EHC coverage through Green Shield Canada. You must be a resident of Canada.

If you did not enrol within the 60-day enrolment period for EHC coverage when you retired, you may be able to enrol later with proof of continuous coverage through another health plan.

Changes to your plan, continued from page 1

time to implement. **You will be notified when pension amendments are completed in 2019.**

If you started receiving your pension before April 1, 2006, the changes will not affect you. The year 2006 was chosen because this was the first year contribution rates substantially increased since joint trusteeship in 2001. The increase resulted from a decrease in the assumed rate of return on investments at the time. Our decision aims to ensure changes are equitable to members who accrued service and made contributions during this time period. Our first priority for future surplus funds is maintaining inflation protection. (See “Your plan is strong” on page 1.)

Changes effective April 1, 2018

The plan changed effective April 1, 2018, for **active members** with pensionable service earned on or after that date. If you retired before this date, you're not directly affected by the plan changes effective April 1; however, learning more may help you to understand the importance of the changes. For more information, visit the plan website.

The plan is changing effective April 1, 2018, and October 1, 2019, for three reasons:

- The changes are equitable and better ensure members receive an appropriate benefit for their contributions, regardless of retirement age, earnings or employment.
- The changes modernize the plan.
- The changes follow the plan's valuation results. The board is using a portion of surplus funds to improve the lifetime pension for members with previous pensionable service.

Details on lifetime pension increase available in early 2019

If you have pensionable service between April 1, 2006 and March 31, 2018, inclusive, you will receive an increase to your lifetime pension, effective October 1, 2019. (See “Changes to your plan” on page 1.)

Further details and an update on this increase to your lifetime pension will be included in your annual pension statement, which you will receive in January 2019.

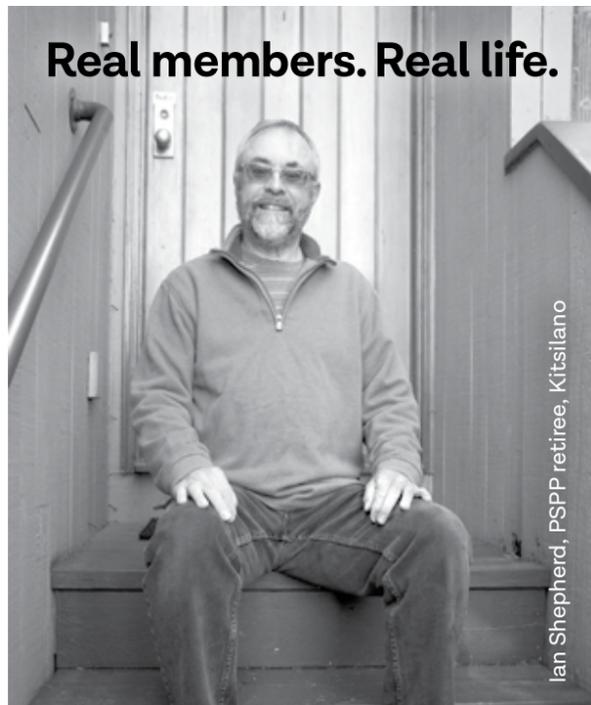
The board will provide an update on the plan changes in the winter 2019 issue of *Pension Life*.

- For ongoing updates and more information, visit pspp.pensionsbc.ca

Half the paperwork, all the information

Each year, you have been receiving two pension statements. The summer statement duplicates the winter statement, so to make things more clear for you and avoid unnecessary duplication, the statement you previously received with the summer newsletter isn't included. You can refer to the statement we sent you in January.

Don't worry—if there is important new information we need to tell you about, we'll communicate with you. And you can find all your pension information in My Account anytime.



Real members. Real life.

Ian Shepherd, PSPPP retiree, Kitsilano

Volunteer to be a model for a day!
memberphotos@pensionsbc.ca

Make Pension Life even better

What can we do to better communicate about your pension and its advantages? We regularly contract companies to do research on our behalf; you may be contacted to complete a survey or participate in a focus group. Your involvement in this research is voluntary, and all responses are confidential. Thank you for your participation.

- Questions about how research works?
Email research@pensionsbc.ca



Adrian Harrison, Victoria

Your pension: at your convenience

My Account is your online gateway to your pension with 24/7 secure access from anywhere for your convenience.

SIGN IN TO MY ACCOUNT TO

- View your personal information—name, Person ID, date of birth, gender, residency, phone number
- Update your profile—user name, password, personal verification question
- Change your address—email, primary and temporary address
- View and manage your banking information—institution number, transit number, current information
- View group benefits coverage
- Review your pension information
- Review your pension payment history
- View your tax information and download slips

your pension online. anytime.
myaccount.pensionsbc.ca



Have you registered for Fair PharmaCare?

Save yourself some money, keep health plan costs down and strengthen retirement group health benefits. If you are a BC resident with Medical Services Plan coverage, you are eligible for Fair PharmaCare.

PharmaCare helps BC residents with the cost of eligible prescription drugs, and certain medical supplies and pharmacy services. It provides assistance through several drug plans, the largest being the income-based Fair PharmaCare plan.

The Fair PharmaCare deductible ranges from zero to approximately three per cent of net family income (e.g., about \$1,200 for a family with an income of \$40,000), and Green Shield Canada will pay up to the Fair PharmaCare deductible amount. However, if a member is not registered for Fair PharmaCare, the default Fair PharmaCare deductible is \$10,000. Registering for Fair PharmaCare helps to reduce impact on health care plans, contributing to long-term plan sustainability.

- Register at
gov.bc.ca/fairpharmacareregistration
or call 1-800-663-7100

Income-based coverage begins immediately if you register online or by phone. If your income level decreases at any time after you're registered, you may be eligible for an income review to increase your level of assistance.

Beginning January 1, 2019, Fair PharmaCare deductibles and family maximums will be adjusted to provide additional assistance to families with net income below \$45,000.

- For more information, visit
gov.bc.ca/fairpharmacare

If you have questions about how Fair PharmaCare integrates with coverage under your extended health care plan, please contact Green Shield Canada.

Do you live outside BC? Here's what you need to know

If you live outside BC, we **may** send you a *Pension Declaration* form. If you receive this form, you **must** sign it with a witness present. If we do not receive the completed declaration form within 90 days, your pension payment may be interrupted.

Why is it important?

The *Pension Declaration* form helps us make sure your contact information with the plan is up to date. We require a signed form to ensure we pay only eligible benefits and safeguard the assets of the plan for all members. Remember to sign in to My Account and change your address with the plan when you move.

British Columbia Government Retired Employees' Association › bcgrea.ca

Toll-free: 1-866-729-9299 Email: bcgrea@telus.net

The British Columbia Government Retired Employees' Association (BCGREA) represents the interests of retired Public Service Pension Plan members.

Joining the BCGREA is an opportunity to talk to other retirees and their spouses about pension issues, meet former co-workers, make new friends and have a voice about your PSPP pension.

To join now, please send 2018 dues for \$20 (single) or \$40 (member and spouse) for the current calendar year. Please make cheques payable to the BCGREA.

Visit bcgrea.ca to download an application.

British Columbia Government Retired Employees' Association
PO Box 791, Station A, Nanaimo BC V9R 5M2

Helpful resources

Canada Pension Plan, Old Age Security, Guaranteed Income Supplement › canada.ca

Phone: 1-800-277-9914 TTY: 1-800-255-4786

Canada Revenue Agency › canada.ca Phone: 1-800-959-8281

Medical Services Plan › hibc.gov.bc.ca Phone: 1-800-663-7100

SeniorsBC › seniorsbc.ca Phone: 1-877-952-3181

Resources and tips for planning and living a healthy life.

Aging Well › healthyfamiliesbc.ca/aging-well Email: healthyfamiliesbc@gov.bc.ca

Free access to health professionals, and community health and fitness programs.



Public Service Pension Plan works with Green Shield Canada (GSC) to administer health and voluntary dental benefits.

Please contact GSC directly with specific questions about your coverage.

Phone: 1-888-711-1119 (Monday to Friday, 5:30 a.m. to 5:30 p.m. Pacific time)

Web: greenshield.ca

Enhancing your online experience

At GSC, we are continually looking for ways to make life easier for our plan members. With that in mind, we have some good news to share! As you may have noticed, we have made some valuable enhancements to our Plan Member Online Services self-serve platform.

► *Check out the enhancements to Plan Member Online Services at greenshield.ca*

These enhancements, which went live in April, allow you to:

Submit additional types of claims online

- While you can continue to send claims by mail, it is simpler than ever to submit them online. Plan Member Online Services' *Submit a Claim* page now includes every category of claim type available.
- Just click on the appropriate claim type and follow the instructions. We've even included an "other" option in case you can't find what you're looking for.
- Depending on the claim type, you will either be guided down an "instant processing" journey (seeing claim submission results immediately), or prompted to upload your claims to Plan Member Online Services—you can even take a picture for upload with a smartphone.

Receive confirmation emails and check status

- When you upload claims, we now let you know that we successfully received your claim (so you won't need to take the extra step to check in with us to be sure).
- While a confirmation email is great, another new feature positions you to track the status of your claim via the new *My Web Uploads* page.

Upload supporting documents

- Sometimes we need additional information from you when assessing your claim.
- Plan Member Online Services now makes this step hassle-free with the option to upload electronic copies of claims documents (such as a completed claim form, medical prescription, debit or credit card receipts, etc.).
- GSC does the rest, linking the supporting documents directly to the claim you previously submitted.

Get your money back faster

- We'll give you a link to validate the mailing address we have on file for you (avoiding payment delays if an old address hasn't been updated with us).
- At the same time, we'll provide you with opportunities to sign up for direct deposit—the most efficient way to receive your payment.

We encourage you to check out these features—and enjoy the time savings they offer!



When to contact the plan

New mailing address

If you (or your power of attorney) do not give us your new mailing address, **you risk having your pension suspended** until we receive your current details. For your security, we may stop your payments if your mail is returned to us three times.

If you're staying in your current province or country, update your address in My Account—otherwise, notify the plan in writing.

New phone number

You must notify us if your phone number changes.

Beneficiaries and marital status

- You have married, become common law or are going through a separation or divorce
- You have changed your name
- Your spouse or beneficiary has died
- Your beneficiary has a new address

Health coverage

- You need to change information about yourself, your spouse or a dependant with extended health care or dental coverage
- You have questions about your eligibility, enrolment or premiums

Note: for questions about your extended health care and dental coverage, contact your health care carrier.

Pension payments, deductions and tax slips

- To change the amount of tax taken off your pension payment, send us a TD1 or TD1BC
- To update your direct deposit information, sign in to My Account

Public Service Pension Plan

Include your Person ID number (see your pension statement) in all correspondence

Web: pspp.pensionsbc.ca

Email: retired@pensionsbc.ca

Phone: 1-866-876-6777
(toll-free in Canada & U.S.)
8:00 a.m. to 4:30 p.m. weekdays

Mail: PO Box 9460
Victoria BC V8W 9V8



**Public Service
Pension Plan**

Pension Life

Pension Life is published twice a year. You may receive more than one copy of *Pension Life* if you receive a pension from more than one pension plan. Read your January statement letter to determine which plan provides your group benefits.

Any person entitled to a benefit, or their agent, has the right to examine plan documents, data and public information about the plan.