

# Pension Life®

Your continued connection to your plan

The Public Service Pension Plan Newsletter for Retired Members

Winter 2019

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Don't throw away  
that envelope!  
Your T4A is inside

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## Pension payments 2019

January . . . . .	30	July . . . . .	30
February . . . . .	27	August . . . . .	29
March . . . . .	28	September . . . . .	27
April . . . . .	29	October . . . . .	30
May . . . . .	30	November . . . . .	28
June . . . . .	27	December . . . . .	23

Sign in to My Account to view your payment history. 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.

Though we process direct deposit payments for plan members living in the United States, 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](http://myaccount.pensionsbc.ca)

## Pension may increase for past service

*If you have service between 2006 and 2018, you will see an increase to your lifetime pension*

As your trustees, we govern the plan responsibly to ensure it stays healthy and equitable for all plan members. We'd like to share an update on your pension benefit and other plan elements.

### Plan changes

In the last issue, we discussed plan changes effective October 1, 2019, for a past service benefit improvement: as a result of the plan's valuation and surplus, the board is improving pension benefits for pensionable service accrued between April 1, 2006 and March 31, 2018, inclusive.

If you have pensionable service during this period, you will see

- an increase in the accrual rate from 1.35 to 1.65 per cent on pensionable salary below the year's maximum pensionable earnings, and
- a corresponding decrease in the bridge benefit accrual rate from 0.65 to 0.35 per cent.

These changes will affect members differently depending on their age and date of retirement.

• [For more details, visit pspp.pensionsbc.ca/plan-changes-2018](http://pspp.pensionsbc.ca/plan-changes-2018)

Included with this newsletter is your 2019 pension statement, which may reflect any estimated increase to your lifetime pension benefit.

### Inflation adjustment

You'll receive a 2.3 per cent inflation adjustment effective January 1, 2019.

The adjustment is based on the annual change in the 12-month average Canadian consumer price index ending October 31, 2018, and will depend on your current pension amount. If you retired part-way through 2018, your adjustment will be pro-rated based on the number of months in 2018 you received a pension.

### Retirement health coverage

Subsidies for health benefits are funded by employer contributions. Subsidies are not guaranteed, and the amount of funding is limited. (continued on page 2)

EHC and dental rates are changing effective February 1, 2019. See "EHC and dental rates update" below for details.

## EHC and dental rates update

*Extended health care rates are decreasing and dental rates are increasing effective February 1, 2019*



Rates for extended health care (EHC) coverage are decreasing, while rates for dental coverage are increasing. Both rate changes are effective February 1, 2019. The changes are based on a number of factors, including a review by Green Shield Canada (GSC) of claims made in 2018.

If you pay premiums, they will continue to be deducted from your pension payment (or your bank account, if you pay GSC directly). You will see the change to deductions on your January pension payment.

In addition to the EHC rate decrease, the EHC lifetime maximum (continued on page 2)

## Tax time

### Don't throw away that envelope! Your T4A is inside

#### Important information for your taxes

Your T4A is included with the printed copy of this newsletter. You can also sign in to My Account to access your current and previous T4As. Your pension is taxable income. Make sure you report your pension income on your 2018 tax return.

#### Note

When filing your taxes, take special note of Box 135 on your T4A, which shows your premiums for health coverage, if you have extended health care and/or dental coverage under your pension. You cannot claim the premiums you paid for Medical Services Plan coverage on your tax return.

- Questions about completing your return? Visit [canada.ca](http://canada.ca) or call 1-800-959-8281

### Pension may increase for past service, continued from page 1

As the number of retired members grows and prescription drug costs inflate, we aim to ensure retirement health benefits can be maintained for the long term.

We know both the number of retired members and the cost of providing subsidies will continue to increase; this could lead to funding challenges for subsidized retirement health coverage. We are reviewing the health benefits plan and keeping our eyes on the future.

Keep in mind, the lifetime pension plan is separate from your health benefits plan. Your lifetime pension plan is sustainably funded and secure. The last valuation was completed as at March 31, 2017.

- See the latest valuation at [pspp.pensionsbc.ca/valuation-report](http://pspp.pensionsbc.ca/valuation-report)
- Learn more about health benefits funding at [pspp.pensionsbc.ca/funding-of-health-and-dental-benefits-in-retirement](http://pspp.pensionsbc.ca/funding-of-health-and-dental-benefits-in-retirement)

## New improvements to My Account

We've improved My Account based on feedback from retired members like you. All the information you need is still available; it's simply easier to find.

When you first sign in, you will see a new dashboard with your most recent pension payment—including itemized deductions—and your most recent annual statement. You will also see notifications and updates about your plan in the sidebar.

### Sign in to My Account to update your information

- Personal details
  - Address and phone number
  - Banking information
  - Account settings
- Sign in to [myaccount.pensionsbc.ca](http://myaccount.pensionsbc.ca) to see the new dashboard

## Your monthly deductions

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

Send us a completed TD1 or TD1BC *Personal Tax Credits Return* form (available online) if you would like to decrease the amount of tax deducted from your pension payment. Advise us in writing if you would like to increase 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](http://canada.ca) or call 1-800-959-8281

## EHC and dental rates update, continued from page 1

amount is increasing to \$250,000 from \$200,000—also effective February 1, 2019.

EHC and dental coverage is optional and gives you access to competitive group rates.

### Your EHC plan

The new EHC rates reflect a decrease of five per cent. For example, the premium for one person with under two years of pensionable service will decrease to \$51.00 from \$53.50 (a decrease of \$2.50).

You may be eligible for an EHC premium subsidy based on your pensionable service. Spousal and dependent EHC coverage are available at the full premium rate.

### Your dental plan

The new dental rates reflect an increase of 13 per cent for both the essential and enhanced plans. For example, the premium for one person participating in the essential plan will increase to \$26.34 from \$23.31 (an increase of \$3.03). Premiums for dental coverage are not subsidized.

### GSC monthly EHC plan rates<sup>1</sup> (\$)

Pensionable service	Number of people		
	One <sup>2</sup>	Two	Three +
< 2 years <sup>3</sup>	51.00	102.00	153.00
2 < 4 years	40.80	91.80	142.80
4 < 6 years	30.60	81.60	132.60
6 < 8 years	20.40	71.40	122.40
8 < 10 years	10.20	61.20	112.20
10+ years	0.00	51.00	102.00
Survivor pension	51.00	102.00	153.00

1 Effective February 1, 2019; may change at any time

2 A retired member may be eligible for a subsidy based on their years of pensionable service

3 Full premium

### GSC monthly dental plan rates<sup>1</sup> (\$)

Plan option	Number of people		
	One	Two	Three +
Essential	26.34	50.07	84.34
Enhanced	46.99	89.28	126.09

1 Effective February 1, 2019; may change at any time

### More information

The EHC and dental information provided in your annual pension statement will be current as of January 2019. Refer to the tables above for the most up-to-date details.

- To see your pension payment amounts at any time, sign in to [myaccount.pensionsbc.ca](http://myaccount.pensionsbc.ca)
- For more information on your health coverage, visit [pspp.pensionsbc.ca](http://pspp.pensionsbc.ca) › [Your pension › Retirement health coverage](#)
- To learn about discount arrangements with select health care providers, visit [greenshield.ca](http://greenshield.ca)

## British Columbia Government Retired Employees' Association › [bcgre.ca](http://bcgre.ca)

Toll-free: 1-866-729-9299 Email: [bcgre@telus.net](mailto:bcgre@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 2019 dues for \$20 (single) or \$40 (member and spouse) for the current calendar year. Please make cheques payable to the BCGREA.

Visit [bcgre.ca](http://bcgre.ca) to download an application.

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

## Plan finances and statistics

All data as at March 31, 2018, unless otherwise stated

For more information, visit [pspp.pensionsbc.ca](http://pspp.pensionsbc.ca) and read the *Public Service Pension Plan 2018 Annual Report*

Year at a glance (\$ millions)

$$29,205 + 2,906 + 705 - 1,122 - 95 = 31,599$$

Net assets April 1, 2017      Investment income      Contributions      Benefits payments      Investment and administration      Net assets

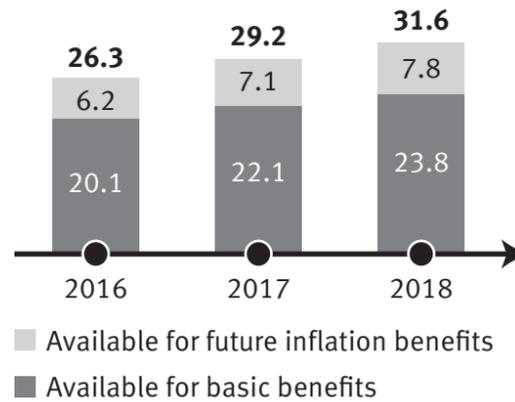
Fees (% of total assets)      Investment management: 0.36      Benefits administration: 0.06

### Asset mix market value (%)

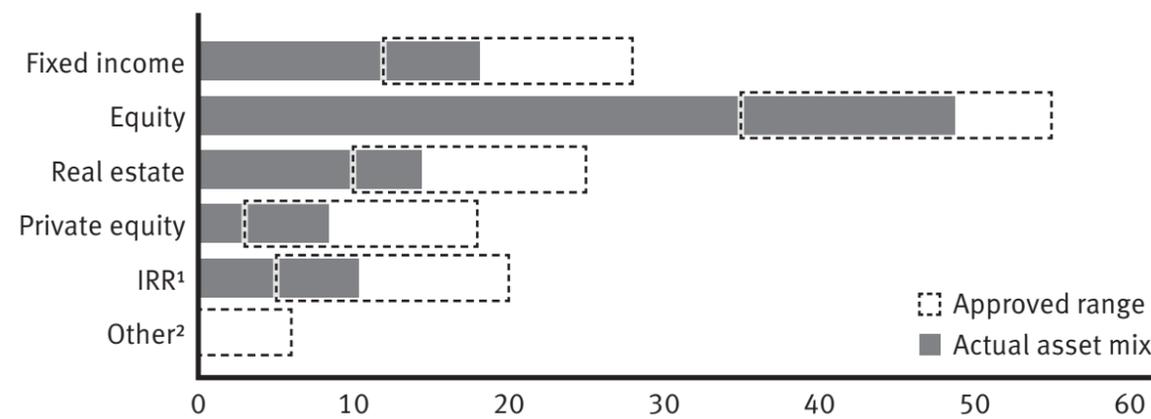
Equity	48.7
Fixed income	18.1
Real estate	14.4
IRR <sup>1</sup>	10.3
Private equity	8.4
Other	0.1



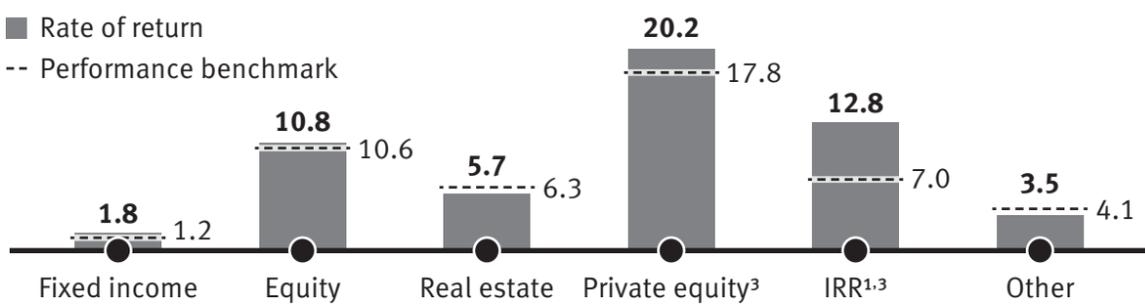
### Net assets available for benefits (\$ billions)



### Asset allocation (%)



### Rate of return vs. benchmark (%)



1 Infrastructure and renewable resources  
 2 Actual asset mix for "other" is 0.1 per cent  
 3 The rates of return for private equity, and infrastructure and renewable resources reflect the December 31, 2017, internal rates of return

## Check your annual statement

You now only receive one pension statement per year instead of two. Please review your statement carefully.

If there is important information we need to tell you during the year, we'll get in touch with you. Also, you can find all your pension information in My Account anytime.

## Health coverage: the basics

Unsure 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.

If you are a BC resident with MSP coverage, you may be eligible for Fair PharmaCare. Registering for this plan will help you save money, keep your health plan costs down and strengthen your retirement group health benefits.

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

Register at [pharmacare.moh.hnet.bc.ca](http://pharmacare.moh.hnet.bc.ca) or call 1-800-663-7100

Coverage begins immediately if you register online or by phone.

If you have questions about how Fair PharmaCare integrates with the coverage under your EHC plan, please contact Green Shield Canada (GSC).

If you have questions about MSP, contact Health Insurance BC.

### 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. You must be receiving a monthly pension to be eligible for group EHC coverage through GSC. Only residents of Canada are eligible for coverage.

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

Contact GSC with any questions you may have about coverage. Contact the plan if you have questions about eligibility for EHC.

## Helpful resources

Canada Pension Plan, Old Age Security, Guaranteed Income Supplement › [canada.ca](http://canada.ca)

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

Canada Revenue Agency › [canada.ca](http://canada.ca) Phone: 1-800-959-8281

Medical Services Plan › [hibc.gov.bc.ca](http://hibc.gov.bc.ca) Phone: 1-800-663-7100 Lower Mainland: 604-683-7151

SeniorsBC › [seniorsbc.ca](http://seniorsbc.ca) Phone: 1-877-952-3181

Resources and tips for planning and living a healthy life

Ageing Well › [healthyfamiliesbc.ca/aging-well](http://healthyfamiliesbc.ca/aging-well) Email: [healthyfamiliesbc@gov.bc.ca](mailto:healthyfamiliesbc@gov.bc.ca)

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

## Medical Services Plan

### Premium assistance

If you are a BC resident, you may be eligible for MSP premium assistance.

- Apply at [gov.bc.ca/msp/applyforpremiumassistance](http://gov.bc.ca/msp/applyforpremiumassistance)

### Rates

- Learn more about premiums at [hibc.gov.bc.ca](http://hibc.gov.bc.ca)

### For more information, contact Health Insurance BC

- [hibc.gov.bc.ca](http://hibc.gov.bc.ca)
- 604-683-7151 (Lower Mainland) or 1-800-663-7100 (toll-free in BC)

## Fair PharmaCare

### Have you registered for Fair PharmaCare?

Looking for financial assistance for eligible prescription drugs and certain medical supplies? If you are a BC resident, register for Fair PharmaCare; you may be eligible to receive reimbursement for prescription drug expenses under your extended health care (EHC) plan.

- Register at [pharmacare.moh.hnet.bc.ca](http://pharmacare.moh.hnet.bc.ca) or call 1-800-663-7100

If you have questions about how this government program integrates with the coverage under your EHC plan, please contact Green Shield Canada.

## Updating your information

### 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 address. 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

Update your phone number in My Account.

### Beneficiaries and marital status

- Name a beneficiary
- 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 and/or a dependant with extended health care (EHC) or dental coverage
- You have questions about your eligibility, enrolment or premiums

Note: for questions about your EHC and dental coverage, contact Green Shield Canada; for Medical Services Plan, contact Health Insurance BC.

### Pension payments, deductions and tax slips

- To change the amount of tax taken off your pension payment

Sign in to My Account to register for or update your direct deposit information.

## Public Service Pension Plan

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

Web: [pspp.pensionsbc.ca](http://pspp.pensionsbc.ca)

Email: [retired@pensionsbc.ca](mailto: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 contracts 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 Standard Time)

Web: [greenshield.ca](http://greenshield.ca)

At Green Shield Canada, we're always looking for ways to make life simpler for you, our plan members. With that in mind, here are a few helpful hints and reminders.

## Pre-determinations

If the cost of any proposed dental treatment or medical item is expected to exceed \$300, we recommend submitting a pre-determination (or pre-authorization) before you begin treatment or make a purchase. This helps to ensure you know ahead of time if the expense will be eligible before you make a payment. For example:

### Durable medical equipment (including prosthetic appliances)

Send a pre-authorization form, completed by you and your physician, indicating the diagnosis, prescribed item(s) and estimated cost. Pre-authorization forms are available once you log in to Plan Member Online Services or by contacting our Customer Service Centre.

### Dental

Request that your dental office submit:

- A treatment plan estimate completed by your dentist
- X-rays (your dentist can submit these online via our health provider portal—[providerconnect.ca](http://providerconnect.ca)—so be sure to let them know)

Your pre-determination request will be reviewed, and a statement will be sent confirming coverage results.

## Claim submission deadline

We always encourage submitting expenses as soon as they are incurred, but we understand that sometimes this is not possible or that receipts appear months later. If you still have expenses to claim:

- Health claims** for expenses incurred in 2018 can be submitted to GSC for reimbursement as long as they are received by GSC no later than June 30, 2019
- Dental claims** can be submitted to GSC for reimbursement as long as they are received by GSC no later than 12 months from the date the eligible benefit was incurred

## Your health deductible

The start of the new year means the \$250 per person health plan deductible resets and must be satisfied again before you begin receiving reimbursement for your claims.

For more information on pre-determinations or other benefit eligibility inquiries, or for more information on claim submission deadlines, please contact our Customer Service Centre.



**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 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.