



**special forces**  
**pension plan**

**Member Handbook**

- Information about your pension plan
- Know your pension options
- Plan for your retirement

## Are you online?

Sign up to [mypensionplan.ca](http://mypensionplan.ca) and get your pension information online, anytime.



Go Green! Help the environment and eliminate paper waste by registering on **mypensionplan**. We'll notify you by e-mail when your pension highlights (member annual statement) and other member publications are ready.

Registration is quick and easy.

On **mypensionplan** you can:

- update your contact and **beneficiary** information;
- view your recent pension highlights (member annual statement);
- view your salary, service and contributions;
- calculate pension estimates using different ages and dates for retirement; and
- keep track of your pension income and prepare for retirement

To register go to [www.sfpp.ca](http://www.sfpp.ca) and click on **mypensionplan**. For registration you will need:

- your member identifier (this can be found on your pension highlights (member annual statement) or welcome letter);
- the last four digits of your Social Insurance Number;
- your date of birth

or

- your first and last name;
- your date of birth;
- the last four digits of your Social Insurance Number;
- the name of your most recent employer; and
- the name of the Plan (i.e. SFPP)

All active and deferred members are eligible to register on **mypensionplan**.

We are committed to keeping your information confidential by using the highest level of security available.

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# Using this Handbook

This handbook provides a brief overview of your choices and benefits, and other information about the Plan. Please read it carefully so you can take full advantage of your membership in the Special Forces Pension Plan (SFPP). To make it easier to use this handbook, you will find the following throughout:

Words in **bold** are defined in the glossary.



When there is a time-sensitive feature, this symbol will appear:



When there is an information sheet (available at [www.sfpp.ca](http://www.sfpp.ca)) on one of the topics in this handbook, this symbol will appear:

*This handbook provides general information only. Should anything in this handbook conflict with the governing legislation, the legislation shall apply.*

# Welcome

The Special Forces Pension Plan (SFPP) was established in 1979 for police officers, including Deputy Chiefs and Police Chiefs, working for participating local authorities in Alberta.

*The Plan is a **defined benefit plan**, which means you will receive a pension based on your **pensionable salary** and years of **pensionable service**.*

This type of pension plan has many advantages for you. It enables you to plan for your retirement because you can estimate your future pension income. SFPP assures you a specified lifetime income, regardless of market conditions and how long you live.

The Plan is financed by member and employer contributions and by investment earnings. SFPP is an important part of your preparation for a secure level of retirement income. Even if you are many years away from retiring, there may be choices available to you now that can enhance your future benefits.

## Plan Administration

Alberta Pensions Services Corporation (APS) is responsible for administering seven statutory pension plans, and two supplementary retirement plans, with direction from four pension boards and the Government of Alberta. SFPP is one of the statutory pension plans. APS provides responsive and focused member services on behalf of the Plan. APS operates the Member Services Centre, collects member and employer contributions, maintains members' accounts, calculates and pays plan benefits.

# The Special Forces Pension Board

The Board is made up of three employer nominees, three employee nominees, and one Government of Alberta representative. Provincial legislation requires the offices of Board Chair and Vice-Chair to alternate every two years between employee (police association) and employer nominees.

The Board is responsible to the pension plan beneficiaries and the President of Treasury Board and Minister of Finance. The Board is also accountable to exercise good governance of the Plan and **fund** on behalf of plan members, employers and beneficiaries.

The *Public Sector Pension Plans Act* establishes and charges the Board with the responsibility to:

- set general policy guidelines for the investment and management of the Plan's assets and **indexing fund**;
- recommend the transfer of any surplus from the Plan **fund** to the **indexing fund**;
- recommend changes in plan rules;
- arrange for an **actuarial valuation** of the Plan at least every three years;
- establish contribution rates, based on the actuary's advice, to ensure the Plan is properly funded;
- set post-1991 cost-of-living adjustments (COLA) contributions and benefits;
- set general policy guidelines for the administration of the Plan; and
- review administrative decisions as delegated by the President of Treasury Board and Minister of Finance.

The Board welcomes your feedback and suggestions about plan policies and reforms. You can contact the Board by mail or e-mail at:

The Special Forces Pension Board  
5103 Windermere Blvd. SW  
Edmonton, Alberta T6W 0S9  
e-mail: [board@sfpp.ca](mailto:board@sfpp.ca)

# Services Provided to Members

As an SFPP member, you are entitled to information on plan performance, your pension account activity, and your options as a plan member.

## SFPP contact information

If you have questions about the Plan, you can contact the Member Services Centre.

Phone: 1-877-809-SFPP (7377)

Mail: SFPP c/o  
Alberta Pensions Services Corporation (APS)  
5103 Windermere Blvd. SW  
Edmonton, Alberta T6W 0S9

Please have your SFPP member identifier ready when you call. Your member identifier can be found on your *pension highlights* (member annual statement) or on your welcome letter.

## Publications

In addition to plan publications such as annual report highlights and handbooks, you will also receive your pension highlights (member annual statement) detailing your pension contributions, service and accrued benefits.

## Website

The topics included in this handbook may also be found in greater detail on the SFPP website: [www.sfpp.ca](http://www.sfpp.ca). There you will find a variety of plan information, electronic publications and an online pension estimator.

## Information sessions and seminars

Group information seminars may be offered through your employer. One-on-one sessions may be available to you to discuss your retirement or termination options or the purchase of a buyback. Contact your employer for more information.

# Joining the Pension Plan

## How do you become a member?

If you are a full-time permanent police officer (at least 30 hours per week), you automatically become a member of SFPP as soon as you start your employment. You must join SFPP if you are in a job-sharing arrangement.

## Contributions

Your contributions to SFPP are based on a percentage of your **pensionable salary**. Your employer also contributes an amount based on a percentage of your **pensionable salary** to the Plan.

A portion of both contributions goes towards the SFPP's **unfunded liabilities**. The Alberta government also contributes an amount based on a percentage of your **pensionable salary** towards the Plan's pre-1991 **unfunded liabilities**. You and your employer each contribute a percentage of your **pensionable salary** towards future cost-of-living increases.

Your contributions are made through payroll deduction. Both yours and your employer's contributions go directly to the SFPP **fund**, which is invested in a **diversified portfolio** on behalf of all plan members. The contributions for future cost-of-living increases go into the **indexing fund** for post-1991 COLA and are also invested in the same **diversified portfolio**.

Contribution rates are set by the SFP Board and are subject to change. Please visit [www.sfpp.ca](http://www.sfpp.ca) to view the most current contribution rates.

## Income tax treatment

For every year that you are active in SFPP, your employer will report a Pension Adjustment (PA) which represents the value allocated by the Canada Revenue Agency (CRA) to the increase in your SFPP benefit entitlement and will reduce your **Registered Retirement Savings Plan (RRSP)** contribution room. When the CRA reviews your tax return, they will consider this PA in determining the amount of **RRSP** contribution room that will be available to you for the following year.



## Pensionable service

Your **pensionable service** refers to the service credited to you in SFPP. Your future pension payments will be based on your number of years of **pensionable service** and **pensionable salary**.

The maximum **pensionable service** you can accumulate is 35 years. However, your **pensionable salary** for all years following the date you reach 35 years of service will be considered towards the calculation of your highest five years of salary (highest average salary).

You may increase your pension by increasing your length of **pensionable service** through one of the following methods:

## Purchasing Prior service

You can increase your length of **pensionable service**, which will increase your future pension, by purchasing **prior service**. Your previous employment in Canada may qualify as purchasable **prior service**. However, you cannot purchase **prior service** if you are receiving a pension for that service. Your employer's human resources staff will be able to tell you which types of employment are eligible.

Examples of eligible service may include:

- previous employment with your current employer;
- previous employment with another employer who participates in SFPP; or
- contributory service under another pension plan in Canada.

If you would like a Buyback Proposal to estimate the cost of purchasing your **prior service**, contact your human resources office.

## Transferring between pension plans



**Transfer agreements** allow members to transfer all or part of their service from another registered pension plan into SFPP. SFPP has a **transfer agreement** with the Local Authorities Pension Plan (LAPP), the Manitoba Municipal Employees Pension Plan and the Regina Police Pension Plan.

Each pension plan has its own benefit formula and contribution rates. APS will calculate the cost of crediting all of your former pension

plan service in SFPP. That cost will be compared to the value of your benefit under your former pension plan. The amount of your former pension plan service that can be credited under SFPP will be determined considering these two values.

If you have a service with another pension plan that does not have a **transfer agreement** with SFPP, please see the SFPP information sheet *Can't Transfer? Buy Prior Service*, for more information on buying all or a part of that service as **prior service** under SFPP.

## Leaves of absence

If you take a leave without salary, you can add that period of leave to your **pensionable service**. You have the option of making pension contributions while on leave without salary, or waiting until you return to purchase that leave.



If your employer notifies SFPP that you have a leave of absence that can be purchased, you will be sent a Buyback Proposal. This Buyback Proposal will be sent to you early in the year and will inform you what is required to purchase the gap in your service.



You must elect to purchase your leave of absence by the earlier of 90 days from the date you are sent your Buyback Proposal or May 1st of the year following your return to work. The election due date shown on your Buyback Proposal will be set based on these limits.

Payment(s) must be made based on the schedule shown on your Buyback Proposal. If you miss this deadline, you can still purchase your leave without salary but it will be on an **actuarial reserve** basis, which is generally more expensive.

For the first year of leave that you purchase on a contributions basis, your employer pays the employer share of contributions. After the first year, you are responsible for paying both the member and employer share of contributions.

The maximum leave without salary you can purchase is five years, plus up to three years of parenting leave provided the parenting leave occurred after June 30, 2002.

If your employment ends, you must apply to purchase a leave without salary within 30 days of your last day of work.

## Leaving the Plan before Retirement



You will have several choices available to you when you leave your job or change to a non-participating role and stop participating in SFPP. Since pension benefits may be a major source of your retirement income, you should carefully consider each of the following options before making your decision.

*Note: The word “service” throughout the remainder of this handbook refers to “pensionable service.”*

### With fewer than five years of service

If you have fewer than five years of service, you are not eligible to receive a SFPP pension. You can do any one of the following:

- leave your contributions with SFPP, where they will earn interest, until you decide which option you want. If you join SFPP again, your new service will be connected to the service you left in SFPP.
- if eligible, transfer your pension entitlements to your new pension plan if a **transfer agreement** exists.
- have your member contributions with interest transferred to a **RRSP**.
- take a refund of your member contributions with interest. You will be taxed on the refunded amount.

*Note: If you are at least 65 years of age while you are contributing to SFPP, you are eligible to receive a pension even if you don't have five years of service.*

## With five or more years of service

After five years of service you are **vested** and eligible to receive a pension at retirement. If you are **vested** with less than 25 years of service and are younger than age 55 you can select one of the options below:

- leave your benefit entitlement with SFPP where it will earn interest until you decide which option you want.
- choose a **deferred pension** to start any time between age 55 and the end of the year during which you turn 71 years of age.
- transfer your pension entitlements to your new pension plan under a **transfer agreement**.
- For service up to December 31, 1991, have your member contributions with interest transferred to an **RRSP** or taken as a taxable cash refund. The **commuted value** of your pension for service after December 31, 1991 may be transferred to a **Locked-In Retirement Account (LIRA)**. You will receive a refund of any **excess contributions** and any funds that cannot be transferred to a **LIRA**.

If you are 55 or older, or have 25 years of service, you have the following options:

- receive an immediate monthly pension.
- defer your pension until any time up to the end of the year in which you turn 71.

## Making your decision

Once you make your benefit choice and the payment is made or payments begin, you cannot change your election. If you die before making your choice, your **pension partner** (unless he or she has signed a **pre-retirement death waiver**) or **beneficiaries** will be entitled to certain benefits.

You may wish to make your decision based on how close you are in age to qualifying for a pension. It may be helpful to speak to someone in the financial or retirement planning industry before making your decision.

## Retirement Benefits

### When can you retire?



You can retire with an unreduced pension starting at age 55 if you have at least five years of service. You can also receive an unreduced pension at any age if you have at least 25 years of service. You are entitled to an unreduced pension if you are contributing when you reach age 65, even if you have less than five years of service.

You must start your pension by December 31 of the year you turn age 71.

*Note: Please send your retirement application to APS, through your employer, no more than three months prior to your retirement date.*

### Bridge benefit

If you retire before age 65, your pension will include a bridge benefit. This bridge is provided up to age 65, when you will likely receive federal pensions (Canada Pension Plan and Old Age Security).

Before you turn 65, your pension is calculated using 2% of your highest average five year salary multiplied by your years of **pensionable service**. However, a portion of the pension that is paid before age 65 is actually a bridge benefit paid only until age 65.

The bridge benefit is 0.6% of the five-year average of the **YMPE** which corresponds to the period used to determine your highest average salary, times your **pensionable service**. At 65, the bridge benefit is no longer paid. The lower pension will then be paid for as long as the pension is paid.

## How your pension is calculated



Your pension benefit is based on your length of service, your highest average salary and the legislated benefit rate.

Your SFPP benefit is defined, regardless of how much money is in the pension **fund**.

Visit [www.sfpp.ca](http://www.sfpp.ca) for more calculation information or to use the pension estimator to calculate your future pension.

SFPP has a salary cap on post-1991 service, in relation to the federal tax rules, which increases annually. This may affect the amount you contribute and the pension benefit you receive. Members who make more than the annual salary cap will only be able to contribute to the Plan on **pensionable salary** up to the cap. In addition, the pension calculation for those members will be based on their highest average salary, up to the salary cap. If your highest average salary is greater than the salary cap, you will not receive a benefit on the amount greater than the cap.

## Pension options



When you retire, SFPP will pay you a pension benefit for your lifetime. Your marital status and the pension choice you make will affect the pension payments you receive.

If you have a **pension partner** at the time you retire, you will be required to select one of the pension options that ensures your **pension partner** is guaranteed a pension for life if you die. However, your **pension partner** can give up the right to a life-time pension if he or she signs a waiver. If your **pension partner** signs the waiver, you will have the ability to name a **beneficiary** or a **nominee**. The waiver cannot be signed more than 90 days before your retirement date and only after you receive your Retirement Benefit Statement.

*Note: If there is a Matrimonial Property Order filed with APS, the order must be followed. See the section entitled “Marital breakdown” on page 19 for additional information.*

## Member Profile

*Member profiles are about individuals who demonstrate a real-life value in participating in a defined pension plan, such as SFPP.*

### New Beat for Retired Officer

“I absolutely love my life!” Paulette DeCoste gives her retirement the thumbs up. After 25 years on the beat in Lethbridge, the former police officer is finding the space to “get back in touch with myself” and time to explore a new path—teaching. Throughout the year, Paulette teaches Critical Incident Stress Management (CISM). This is a specialized field teaching people how to cope with and mitigate the effects of stress when involved in a traumatic incident. Her students include emergency personnel such as firefighters and police officers.

“When people regularly deal with traumatic situations, stress accumulates over time. I hope to apply first aid, but of a different kind, to that stress,” Paulette says. A personal experience during her police service prompted her to help others in this way.

Paulette’s SFPP pension is the financial cushion that allows her to do this important work, as well as the other things she now enjoys. “I see my pension as my reward for working very hard for more than 25 years,” she says. “I see that reward in each monthly pension payment that I receive, and I love every month!”

In Paulette’s occupation, there were many sources of stress. Fortunately, she says her pension plan wasn’t one of them. “My SFPP pension has been my investment in the future. APS has been wonderful, always keeping me up-to-date and providing information. When it came time to retire, they did an excellent job of explaining all my options.”

When not teaching, Paulette spends her newfound time providing mediation services, interpreting for the hearing impaired, travelling with her husband and volunteering in the community.



# After Retirement

## Working as a pensioner

As a working pensioner you will continue to receive your pension if you start working for another employer. However, if you work for an SFPP employer, you will not be permitted to make contributions to SFPP.

Let your employer know if you are receiving a pension from SFPP so contributions are not deducted from your pay. If you work for an employer under another pension plan, you may be required to contribute to their plan.

## Cost-of-living adjustments (COLA)

On the portion of your pension based on service before 1992 you get an annual cost-of-living increase of 60% of the increase in **Alberta's Consumer Price Index (ACPI)**. COLA increases are calculated by taking the average of the **ACPI** during a 12-month period (November to October), and comparing it to the immediate previous year's 12-month average.

*Note: the **ACPI** is a weighted average of the cost of a basket of goods and services that are normally purchased by Alberta households.*

For service after 1991, the SFP Board is responsible for setting COLA according to the funds available in the **indexing fund**. The **indexing fund** was established to finance COLA on post-1991 service.

To date, COLA has been funded and granted at the 60% rate on all service from January 1, 1992 to December 31, 2000. For additional information, including how COLA is calculated, please visit [www.sfpp.ca](http://www.sfpp.ca).

COLA will also be applied to a **deferred pension** for the years when your contributions are left in the Plan.

## Coordination

Coordination is a feature offered to eligible members who retire before age 65. Coordination lets you increase your monthly payment temporarily from the time you retire until you turn 65. At age 65, the

increase to your monthly payment stops *and a permanent reduction to your monthly pension payment begins. The reduction will continue as long as you live and may add up to more than the increase you received before 65.*

To use coordination effectively, you should have enough additional income at age 65 to compensate for the permanent, possibly significant, reduction to your pension income. There is more information about coordination at [www.sfpp.ca](http://www.sfpp.ca).

If you are near retirement, you are advised to seek independent financial advice to make the choice best suited to your financial circumstances.

## Other Plan Information

### Death before retirement

It is your **pension partner's** right to be paid a lifetime pension benefit if you die. However, pension rules allow your **pension partner** to waive his or her right to the death benefit that would be paid to him or her if you die before you retire by signing a waiver form.

If you die before retirement, benefits on pre-1992 service will be paid to your **pension partner** (unless they have signed a **pension partner waiver of pre-pension commencement death benefit**) and dependent minor children, if any. Benefits on post-1991 service will be paid to your **pension partner** (unless they have signed a **pension partner waiver of pre-pension commencement death benefit**).

Various benefit options will be available depending on the circumstances. If you would like complete information regarding the options available, such as for estate planning purposes, please contact the Member Services Centre.

If you do not have a **pension partner** or dependent minor children, benefits will be paid to your **beneficiary** or estate.

### Benefits for dependent minor children

For that portion of your pension which is based on service before 1992, benefits will be paid to your dependent minor children if you

die before retirement:

- If you die with five or more years of service and leave a **pension partner** and dependent minor child(ren), each child (to a maximum of three) will receive a pension equal to 10% of the normal pension that would have been paid to you.
  - If you have more than three children, the three shares will be divided equally amongst the children.
- If you have minor children but no **pension partner**, each child (to a maximum of four) will receive 15% of the pension.
  - If you have more than four children, the four shares will be divided equally amongst the children.
- The legal guardian of the children can choose between the 15% pension or a one-time payment for the children.

The children's benefits are paid until they reach 18 years of age. If a child dies prior to age 18, the benefit will cease upon death.

## Marital breakdown



If you are currently undergoing a marital breakdown, your pension benefits may be subject to division and distribution between you and your soon to be ex-spouse. For pension benefits to be divided and distributed, a court-certified copy of a **Matrimonial Property Order (MPO)** must be obtained and filed with APS. You should consult your legal counsel about obtaining and filing an **MPO** and the division and distribution of your pension benefits.

Under the Matrimonial Property Act, an **MPO** can only be obtained in respect of a legal marriage. In certain circumstances, the regulations governing SFPP allow for the division and distribution of your pension benefits by making a one-time payment to the non-member ex-spouse without having to wait for the member to become eligible for a benefit. If you are a SFPP member going through a marital breakdown, your legal counsel should take these regulations into account when working on your matrimonial property settlement.

For details on how marital breakdown may affect your pension, please visit the SFPP website at [www.sfpp.ca](http://www.sfpp.ca).

## Administrative review process



If you disagree with a decision made by APS about your SFPP benefits, you can request APS to provide a full explanation.

If you are not satisfied with the response to your initial inquiry you can request an administrative review. This request should be made in writing to APS within 30 days from the date you received a written response to your initial inquiry.



If, after the administrative review, you feel your rights have not been recognized, you can request an appeal of the administrative review to the SFP Board. A request for an appeal must be made in writing to the SFP Board within 60 days of the administrative review.

*Note: While the Board can make a final decision, it can only provide benefits based on the legislation governing the SFPP.*

# Glossary

## **Actuarial Reserve**

The estimated cost to SFPP of providing the increased benefits gained by a member who buys or transfers prior service. An actuarial reserve calculation takes into account a number of factors including salary scaling and mortality tables.

## **Actuarial Valuation**

A mathematical analysis of the financial condition of a pension plan. An actuary prepares a Plan valuation at least once every three years. The valuation shows the Board if the contribution rates are higher or lower than what is needed to ensure the long-term funding of the Plan.

## **Alberta's Consumer Price Index (ACPI)**

A weighted average of the cost of a basket of goods and services that are normally purchased by Alberta households. It includes such things as clothing, food, housing, gasoline, health, personal care services, recreation and education.

## **Beneficiary**

a Beneficiary is the person(s) you designate to receive a benefit if:

- you die before retirement; or
- you die before the end of the guaranteed period. This is only applicable if:
  - you chose one of the Single Lifetime Guaranteed Term options; or
  - you chose one of the Joint Lifetime options and both you and your pension partner die within the guaranteed period.

Your pension partner is automatically your sole beneficiary if you die before retirement. If you have no pension partner, you should let SFPP know who would receive the benefit. You can designate one or more beneficiaries or a charitable organization.

If you do not have a pension partner, then your beneficiary in respect of your pension is as follows:

Pre-1992 service:

- your dependent minor child(ren), or if none
- your designated beneficiaries

Post-1991 service:

- your designated beneficiaries

Even if you have a pension partner you should designate a beneficiary. That way SFPP knows to whom the benefit is to be paid if your pension partner predeceases you, or if your pension partner has waived the right to a benefit. If you have not designated a beneficiary and your Will does not specifically mention SFPP, payment will be made to your estate.

### **Commuted Value**

The actuarial present value of accrued benefits, determined using actuarial assumptions and methods recommended by the Canadian Institute of Actuaries. This represents the amount of money that must be set aside today, based on current interest rates, to provide pension payments at a future date.

If you are vested and you leave the SFPP, you are entitled to the commuted value of your pension payable on all post-1991 service.

### **Deferred Pension**

A pension that does not commence immediately following termination from SFPP. A deferred pension may not commence earlier than the member's 55th birthday, unless the member has 25 years of pensionable service or qualifies for a disability pension, but must commence before December 31 of the year the member reaches age 71.

### **Defined Benefit Plan**

Defined Benefit Plans pay a monthly pension based on your salary and your length of service. The pension plan's obligation is to pay a stated benefit to each employee based on the employee's salary and length of service. The main benefits of a defined benefit plan are:

- Your benefit is guaranteed and you are provided a specified lifetime income regardless of market conditions, or how long you live.
- You can plan for your retirement because you can estimate your

future pension income. The pension estimator allows you to estimate your future monthly payments.

### **Diversified Portfolio**

The Alberta Investment Management Corporation (AIMCo) manages the SFPP fund in accordance with the Plan's *Statement of Investment Policies and Goals*, and applicable legislation. The portfolio comprises equities (both domestic and international), bonds and mortgages.

### **Excess Contributions**

Excess contributions is the amount of member contributions with interest that exceeds 50% of the value of the benefit being paid for service after 1991. Contributions paid and service credited for prior service are not included when calculating excess contributions.

### **Fund**

A fund established under the legislation governing the Plan to hold all employee and employer contributions and investment income. All benefits are paid from the fund with the exception of cost-of-living adjustments to pensions on service after 1991 (which are paid from the separate Indexing Fund). All assets in the fund can only be used to pay the promised benefits and cover administrative costs.

### **Indexing Fund**

Since August 1992, employers and members of SFPP have had a portion of their contributions invested in a separate indexing fund. The fund was set up to finance cost-of-living adjustments (COLA) for service after December 1991. COLA has been granted at 60 per cent of the Alberta Consumer Price Index (ACPI) on all service from January 1, 1992 to December 31, 2000. COLA for service prior to January 1, 1992 is guaranteed to be a minimum of 60 per cent of the ACPI and is funded by regular contributions and investment returns.

### **Locked-in Retirement Account (LIRA)**

A special type of RRSP designed specifically to hold locked-in pension funds. Alberta public sector pension plans, like SFPP, are not subject to the Employment Pension Plans Act (EPPA) however, once locked money is transferred out of SFPP it must be locked-in under the rules of the EPPA. Most financial Institutions offer LIRAs however APS will only send the locked-in funds to a financial institution that appears as a LIRA provider on the Alberta's Superintendent's List of Financial Institutions Offering Locked-in Pension Products.

## **Matrimonial Property Order**

A Matrimonial Property Order (MPO) is a court order made at the time of or after divorce that divides the assets (usually those acquired during the marriage) of the spouses or ex-spouses between them.

If you are currently undergoing a marital breakdown, your pension benefits may be subject to division and distribution between you and your soon to be ex-spouse. For pension benefits to be divided and distributed, a court-certified copy of an MPO must be obtained and filed with Alberta Pensions Services Corporation. You should consult your legal counsel about obtaining and filing an MPO and the division and distribution of your pension benefits.

Under the Matrimonial Property Act, an MPO can only be obtained in respect of a legal marriage. In certain circumstances, the regulations governing SFPP allow for the division and distribution of your pension benefits by making a one-time payment to the non-member ex-spouse without having to wait for the member to become eligible for a benefit. If you are a SFPP member going through a marital breakdown, your legal counsel should take these regulations into account when working on your matrimonial property settlement.

## **Nominee**

The person you name to receive your Joint Lifetime pension if you die first. If you have a pension partner on the effective date of your pension, the nominee must be your pension partner unless they sign a waiver sent with the Retirement Benefit Statement. The nominee must be a valid nominee under the Income Tax Act (e.g. a spouse, an ex-spouse or ex-common-law partner).

## **Pension Partner**

“pension partner” means

- (i) a person who, at the relevant time, was married to a participant or former participant and had not been living separate and apart from him or her for 3 or more consecutive years,

or

- (ii) if there is no person to whom subclause (i) applies, a person who, as at and up to the relevant time, had lived with the participant or former participant in a conjugal relationship
  - (A) for a continuous period of at least 3 years, or
  - (B) of some permanence, if there is a child of the relationship by birth or adoption;



Persons are living separate and apart

- if they are living apart and either of them has the intention to live separate and apart from the other, or
- if, before the relevant time,
  - they had been living separate and apart for any period, and
  - that period was interrupted or terminated by reason only that either of them become incapable of continuing to live separate and apart or of forming or having the intention to continue to live separate and apart of that person's own volition,

and the separation would probably have continued if that person had not become so incapable.

### **Pensionable Salary**

Basic pay for the performance of your regular duties. Salary also includes acting pay if the employer treats it as pensionable salary under the employer's salary policy. Salary does not include earnings such as expensive allowances or overtime payments. The salary used in the calculation of your SFPP benefit entitlement will be subject to any limits set out under the tax rules.

### **Pensionable Service**

Your years of service during which you contribute to the pension plan, plus service recognized from a transfer or purchase of prior service. The maximum length of pensionable service you can accumulate in the Plan is 35 years.

### **Pre-pension Commencement Death Waiver**

A pension partner may waive their right to a lifetime pension by completing the Pension Partner Waiver of Pre-Pension Commencement Death Benefit. This allows the pension to be paid to the beneficiary or beneficiaries on file with APS instead of the pension partner. This waiver can be completed by the pension partner any time before pension commencement but it may only be rescinded by the pension partner prior to the member's death.

### **Prior Service (Buyback or Past Service)**

Previous employment during which you participated in (or could have participated in) a pension plan. You may be able to buy back this period of service if you are not receiving a pension in respect of that service. Only some types of public service are eligible. By purchasing

prior service you can increase your length of pensionable service thereby increasing your future benefits.

**Registered Retirement Savings Plan (RRSP)**

A type of tax-deferred investment that is set up to hold and invest your savings until you retire. Most can be withdrawn at any time, but you will be taxed on the amount withdrawn.

**Transfer Agreement**

An agreement negotiated with another pension plan that allows members to transfer their pension entitlements when they move between plans.

**Unfunded Liabilities**

An unfunded liability exists when the actuarial valuation determines the fund's accrued liabilities exceed the net assets available for the payment of benefits.

**Vested**

A term used by pension plans that means you are eligible to receive a monthly pension. Members of SFPP are vested after five years of pensionable service, or immediately if you are active in SFPP at age 65 or later.

**Year's Maximum Pensionable Earnings (YMPE)**

The maximum amount of earnings on which contributions to CPP are based.





**special forces**  
**pension plan**

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