



Retirement Planning Webinar - Q&A Document

Q: If I only have \$60,000 in my funds and choose to collect for a lifetime, what happens if this runs out?

A: With a defined benefit pension plan like MEBP, your monthly pension is guaranteed for life, regardless of how long you live or how much you've contributed. You will continue to receive payments for as long as you live.

Q: Can you clarify the difference between YMPE and your annual salary?

A: YMPE (Year's Maximum Pensionable Earnings) is a limit the Canada Revenue Agency sets each year for CPP contributions. Your annual salary is your full pensionable income. In MEBP, you contribute at a lower rate on earnings up to the YMPE and at a higher rate on earnings above. For example, earning \$85,000 in 2025 and the YMPE is \$71,300, you contribute 8.3% on the first \$71,300 and 9.5% on the excess \$13,700. Your pension accrual reflects this split: 1.5% per year on YMPE earnings and 2% on earnings above YMPE.

Q: If I choose a lifetime pension payment, will my spouse receive nothing if I die?

A: Your pension options at retirement allow you to select one of the forms of payment. If you choose a Single-Life pension, the pension stops at your death, but if you haven't received pension payments equal to your contributions, the remaining amount goes to your beneficiary.

However, if you choose a Joint & Survivor pension, your spouse will continue to receive for their lifetime a portion of your pension after your death, based on the percentage you selected (e.g., 50%, 60%, 66.67%, 100%).

Q: I'll be 60 in 2026 and could retire without reduction. I prefer to reduce my workdays instead of retiring. How will this affect my pension?

A: Reducing your workdays may affect your pensionable earnings and service. If you move to part-time, your service will be prorated based on your reduced schedule. This could impact your final average earnings and credited service, which are used in your pension formula. It's a good idea to contact our office to estimate how this decision would impact your pension amount at retirement based on your planned reduction of work hours.

Q: If I commute my pension, is it only my contributions, or does it include my employer's contributions too?

A: The commuted value includes the present value of your total pension entitlement, not just your personal contributions. It reflects both your and your employer's contributions based on the plan formula. This amount represents what it would cost today to provide your future lifetime benefits.

Q: Isn't the Rule of 80 no longer an option for municipal employees?

A: The Rule of 80 is still available to municipal employees under MEBP. You can still retire with an unreduced pension when your age plus Qualifying service equals 80.



Q: When can I access the pension calculator earliest, after 1 year or after 5 years of employment?

A: After receiving your first annual pension statement, you can access the pension calculator.

Q: Can I choose to commute my pension at any time?

A: Commutation is a termination benefit and is only available to members under the age of 55. Once you reach age 55, this option is no longer available. However, at retirement, you can transfer your commuted value to a Registered Pension Plan (RPP) with which MEBP has a reciprocal agreement. A list of these RPPs can be accessed in the Reciprocal Agreement session on the MEBP website.

Q: If I meet the Rule of 80 at age 55, can I withdraw an unreduced pension annually, and is it reduced at age 60 for CPP?

A: If you meet the Rule of 80 before age 60, you can begin collecting an unreduced monthly pension. There's no reduction for starting early. You may also be eligible for a bridge benefit until 60.

Q: When I use the calculator, I see a drop in the pension at age 60. Why is that?

A: That's due to the bridge benefit — an additional temporary benefit paid to members who retire before age 60. It supplements your pension until you become eligible to apply for CPP at age 60.

Q: When are pension statements usually delivered, and how are they sent?

A: Annual pension statements must be sent by the end of June. They are mailed via Canada Post. You can contact our office to request an encrypted email copy if there is a postal disruption.

Q: Are the figures in the pension calculator before or after income tax?

A: All amounts shown in the pension calculator are gross figures — that is, before any taxes or deductions.