

Alberta School Boards Association Supplemental Integrated Pension Plan (SiPP)

Frequently Asked Questions

For Members

What benefit is payable from the SiPP compared to either the ATRF/ LAPP?

The SiPP is designed to be a “top-up” plan that provides you with additional benefits to your ATRF/LAPP pension.

- *Benefit formula:*
 - *2.0% benefit per year of pensionable service up to the maximum pension permitted under the Income Tax Act (compared to 1.4% up to the average YMPE plus 2.0% over the YMPE)*
 - *Full uncapped earnings are used (compared to earnings capped based on the average maximum pension limit)*
- *Cost of living increases are provided at 70% of any increase in the Alberta Consumer Price Index (compared to 0.6% of CPI for LAPP)*
- *Post retirement death benefit:*
 - *If you have a pension partner at your date of pension commencement, you are entitled to a pension payable for your lifetime and, upon your death, your surviving pension partner will receive a lifetime pension equal to 66 2/3% of your pension with a guaranteed of 60 months in any event (compared to a lifetime pension with a 60 month guarantee)*
 - *If you do not have a pension partner at your date of pension commencement, you are entitled to a pension payable for your lifetime and guaranteed for at least 120 months (compared to a lifetime pension with a 60 month guarantee)*

More information on how the SiPP is integrated with the ATRF/LAPP can be found in the member booklet, available here: https://www.asba.ab.ca/wp-content/uploads/2018/10/sipp_member_booklet17.pdf

How much do I need to contribute?

Contributions are 100% paid by your employer. Members do not contribute into the SiPP.

What happens to my accrued SiPP pension if I transfer employment to a different school division?

If you are transferring directly (i.e. no break in service) between school divisions and both participate in the SiPP, you will remain active and will not terminate SiPP membership, providing that the transfer happens immediately. The SiPP Governance Board may apply discretion to permit continued Pensionable Service if the period between leaving one school division and re-enrolling with the other is less than 3 months and they are satisfied that the reason for the break in service is appropriate. For example, a member finishing a contract at one school division at the start of a vacation period with a small break before starting with the other school division.

If you are not immediately eligible to enroll into the SiPP with the new school division, or if the new school division is not a participating employer, then your transfer of employment would be considered a termination from the SiPP.

Is there a service cap in the SiPP?

No. The 35 year service cap in the SiPP was removed effective January 1, 2017.

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When can I expect my annual statement?

Annual statements are provided to your employer in June, to be distributed to respective members. Please contact your employer's human resources department if you have not received your statement by the end of June.

Why does my accrued SiPP pension vary from year to year?

The total benefit that you receive from both the ATRF/LAPP and the SiPP sums up to the 2.0% benefit formula in total (subject to the maximum pension limit). Changes to the maximum pension limit or your ATRF/LAPP accrued pension will affect the portion of your total benefit payable from the SiPP.

Why would my accrued pension decrease from my previous annual statement?

Due to the complex interaction between the Income Tax Act defined benefit pension limit and the ATRF/LAPP accrued pension, changes in one or both of these factors will influence your SiPP accrued pension. For example, a significant increase in your ATRF/LAPP accrued pension, in rare circumstances, may lower your SiPP accrued pension. Given the "top-up" nature of the SiPP, members should consider their total benefit being paid from the ATRF/LAPP and SiPP as the total benefit promise. The benefit promise of the SiPP is 2% of best average earnings per year of service, capped at the CRA Income Tax limits (less the amounts paid from the ATRF/LAPP).

Why is my colleague's accrued pension shown on the annual statement higher or lower than mine?

Your accrued pension is primarily dependent on your length of service while enrolled in the SiPP and the ATRF/LAPP, as well as your earnings history. As these factors vary between members, the resulting accrued pension will also differ.

When can I expect my retirement or termination package?

Once your employer has provided Morneau Shepell with all the required information to process your retirement or termination, Morneau Shepell will prepare a Termination or Retirement Statement accordingly, which outlines the benefits and the available options for payment. Morneau Shepell will forward the Statement and forms directly to your employer for distribution to you within ten business days from the date of receipt of all necessary information, unless the your last day of employment is beyond two months from the date the calculation request was submitted. If your last day of employment is beyond two months from when the calculation request was submitted, your documents will be provided to your employer within two months of your last day.

What options are available to me if I terminate membership before age 55?

If you terminate before age 55, you are entitled to either:

- *the lump sum value of your pension (if elected prior to age 55); or*
- *a deferred pension, commencing any time after age 55, subject to an early retirement reduction prior to the unreduced retirement date on your annual statement.*

Please note that if you cease to be an active member in the ATRF/LAPP, you must also terminate membership from the SiPP.

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What options are available to me if I terminate membership on or after age 55?

If you terminate on or after age 55, you are entitled to commence an immediate or deferred pension. A lump sum option will only be provided if the amount is below the threshold required by legislation. Please note that if you cease to be an active member in the ATRF/LAPP, you must also terminate membership from the SiPP.

How can I get more information?

Please visit the ASBA SiPP website, found at the following link:

<https://www.asba.ab.ca/about/programs/pension-programs/>

The website contains digital copies of the plan document, member booklet, and other information. In addition, estimates of your projected pension at your expected retirement date are also available upon request. Please contact your employer's human resources department to request an estimate and allow at least two weeks for the calculation to be completed.

Questions about your SiPP benefit can be directed to Morneau Shepell at asbapension@morneaushepell.com.