PENSION PLAN

I am ready to retire

UNDERSTAND YOUR OPTIONS

Section 1:

WELCOME TO YOUR RETIREMENT

Welcome to your retirement

You have been working hard to grow your CSS Pension Plan account. Over the years, you and your employer's contributions have grown, and now that you are ready to retire, you must decide how to use your account to create a retirement income that best suits you and your retirement years. This is your journey, and we are here to help you along the way. Read this booklet and reach out to our CSS team so that you can make informed decisions about your account and income needs.

Quick note: This publication uses the term "spouse" from time to time. Please see Schedule A (page 30), for the definition of spouse as is applicable to your pension account. When we refer to "spouse," we mean spouse as defined by the pension law for the province or territory where you last worked for an employer of the CSS Pension Plan. This includes common-law relationships in certain circumstances.

Preparing to choose

What is the difference between locked-in and non-locked-in funds?

Your CSS Pension Plan account contains *locked-in* funds or *non-locked-in* funds - or both.

Locked-in funds typically come from employee and employer contributions, plus investment earnings. Pension law states that locked-in funds must be used to provide a retirement income. Some sources of retirement income aim to provide you with a lifetime income, and other sources aim to provide you with a flexible income. Locked-in funds also must provide certain protections for your spouse, where applicable.

Non-locked-in funds typically come from employee voluntary contributions. You will have options for these funds on your retirement.

TIP: Log in to ***myCSSPEN*** for Members to view your account and to see if you have locked-in funds and/or non-locked-in funds. You will also find this information on your annual statement.

What are the options for my locked-in funds?

You must use your locked-in funds to provide a retirement income. Pension law sets out what product you can use to provide your retirement income, and legislation varies from one jurisdiction to another. The following chart outlines your options.

	SK	BC	MB	NB	AB	ON	FD
CSS Variable Benefit (VB) payments	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CSS monthly pension	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Life annuity (life insurance company)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Registered income fund product (credit union or financial institution)	pRRIF	LIF	LIF pRRIF	LIF	LIF	LIF	LIF RLIF
Combination of the options	Yes	Yes	Yes	Yes	Yes	Yes	Yes

What are the options for my non-locked-in funds?

You may use your non-locked-in funds to increase your retirement income by:

- Adding them to the funds you use to set up your CSS monthly pension
- Adding them to the funds you use to set up your CSS Variable Benefit (VB) payment account
- Using them to purchase an annuity (or a life annuity, if including them with locked-in funds) from a life insurance company
- Transferring them to your credit union or financial institution to hold them in a Registered Retirement Income Fund (RRIF)

Alternatively, you could:

- Transfer them to your credit union or financial institution to hold them in a Registered Retirement Savings Plan (RRSP) (does not trigger an income)
- Withdraw the funds as cash, subject to income tax. The income tax withholding rates for cash withdrawals are:
    - 10% for amounts up to and including $5,000
    - 20% for $5,000.01 up to and including $15,000
    - 30% for amounts over $15,000

Flexibility is important – you can also do a combination of the above.

When must I decide?

You can start your retirement income anytime between age 50 and the end of the year you turn age 71, at which time you must start a retirement income.[1]

You do not have to start a retirement income right away; this decision will depend on your circumstances. The Canada Revenue Agency (CRA) rule is that you can delay starting your retirement income until the end of the year you turn age 71. If you do not want to start an income, you are welcome to remain a member of the CSS Pension Plan and continue to enjoy the benefits that come with your membership.

When you are ready to start your retirement income – now or later – you will have options.

What is phased retirement?

Phased retirement means that you are collecting a retirement

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[1] Provided you are a member of CSS Pension Plan but are no longer actively employed by a participating employer and are no longer contributing to the pension plan.

income from the CSS Pension Plan, and you are still working for a participating employer and contributing to your CSS Pension Plan account. With a phased retirement, you do not have to terminate employment to start receiving a retirement income from the CSS Pension Plan.[2]

There are some rules:

- You must be at least age 55
- Your employer must provide written approval for phased retirement
- Your employer may require you to reduce your hours of work
- You must receive your spouse's consent, if applicable
- While you are working for a participating employer, you and your employer must continue to contribute to your CSS Pension Plan account

Must I decide all at once?

For your locked-in funds, you can make retirement income decisions for all or a portion of the funds in your CSS Pension Plan account. Subsequent transfer-out fees may apply.

For your non-locked-in funds, if you decide to withdraw or transfer-out these funds, then all your non-locked-in funds must be withdrawn or transferred at the same time.

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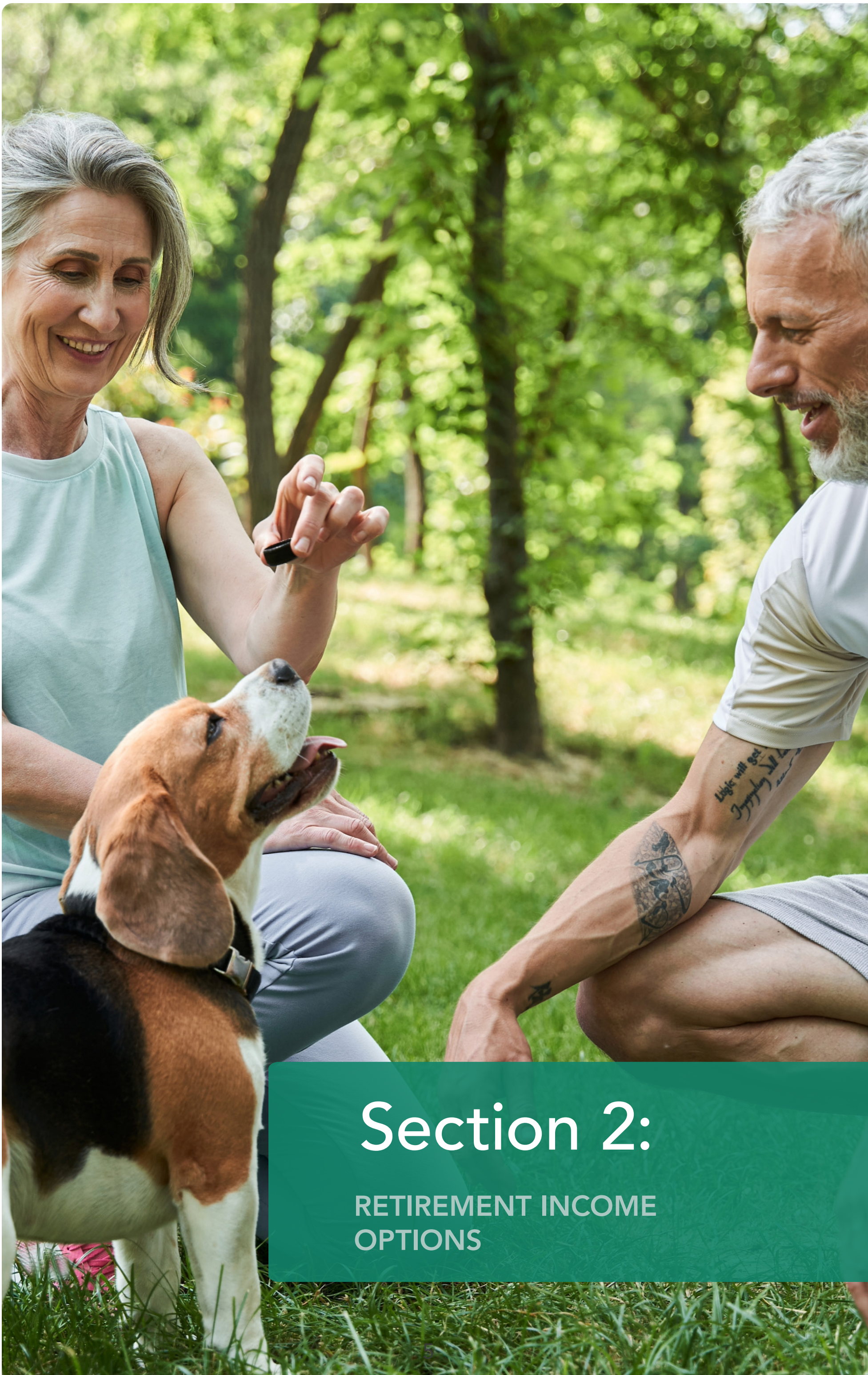
[2] Termination of employment means you are no longer working for a participating employer of the CSS Pension Plan.



Section 2:

RETIREMENT INCOME OPTIONS

Retirement income options

Recall that you have several retirement income options:

- CSS monthly pension
- CSS Variable Benefit (VB) payments
- Life annuity with an insurance company
- Registered income fund product (i.e., pRRIF, LIF, LRIF, etc.) with your credit union or financial institution
- COMBINATION of the above

This section aims to help you understand these options a bit better.

What is a CSS monthly pension?

A CSS monthly pension aims to provide you, and your spouse (if applicable), with a lifetime income. While a CSS monthly pension aims to provide a lifetime income, it is important to note that this income is not flexible and does not adjust for inflation.

Depending on your circumstances, you can select a Single Life monthly pension or a Joint Life monthly pension.

The income you receive from your CSS monthly pension is taxable.

• What is a Single Life monthly pension?

A Single Life monthly pension provides a lifetime pension to you. It does not provide a lifetime pension to your spouse after your death.

» Guarantee period

Single Life monthly pensions have a guarantee period. You select the guarantee period. A guarantee period can be 0 years (i.e., no guarantee), 10 years or 15 years. The longer the guarantee period, the lower your monthly pension. The following describes how the guarantee period works with a Single Life monthly pension:

- A guarantee period of 0 years (i.e., no guarantee): Provides you with a lifetime pension. When you pass away, your pension stops. No monthly pension payments or death benefit will go to a beneficiary or your estate.
- A guarantee period of 10 years: Provides you with a lifetime pension. If you pass away within the 10-year guarantee period, your pension will continue to be paid to your beneficiary(ies) or estate for the balance of the guarantee period. If you outlive the guarantee period, you will continue to receive your lifetime pension until your death. If you pass away after the guarantee period, your pension stops; and, no monthly pension payments or death benefit will go to a beneficiary or your estate.
- A guarantee period of 15 years: Provides you with a lifetime pension. If you pass away within the 15-year guarantee period, your pension will continue to be paid to your beneficiary(ies) or estate for the balance of the guarantee period. If you outlive the guarantee period, you will continue to receive your lifetime pension until your death. If you pass away after the guarantee period, your pension stops; and, no monthly pension payments or death benefit will go to a beneficiary(ies) or your estate.

Example - *Single Life monthly pension, 15-year guarantee*

- You select a Single Life monthly pension with a 15-year guarantee period.
- You will receive your monthly pension for your lifetime.
- If you pass away 7 years after your pension starts, your monthly pension will continue to be paid to your beneficiary(ies) or estate for 8 years, and then the pension would stop.
- If you pass away 23 years after your pension starts, your monthly pension will stop. No monthly pension payments will go to a beneficiary(ies) or your estate.

Under pension law, a spouse is entitled to receive a survivor's benefit. A Single Life monthly pension does not provide a survivor's benefit. If a member who has a spouse wants to select a Single Life monthly pension, the spouse would have to sign an applicable waiver form(s) before the member can select this option. In this situation, if the member so decides, a member is allowed to name a spouse as a beneficiary under a Single Life monthly pension.

- **What is a Joint Life monthly pension?**

A Joint Life monthly pension provides a lifetime pension to you and your surviving spouse, should you predecease your spouse. A Joint Life monthly pension pays less than a Single Life monthly pension because it covers two lives instead of one.

» Gurantee period, 10 or 15-year

Joint Life pensions can be guaranteed for 10 years or 15 years. If both you and your spouse die before your selected guarantee period expires, the pension will continue to be paid to your beneficiaries or estate for the balance of the guarantee period. The longer the guarantee period, the lower the monthly pension. Suppose, for example, that you select a 15-year guarantee period, and both you and your spouse pass away 6 years after your pension starts. In that case, the full monthly pension would continue to your beneficiaries or estate for 9 years, then the pension would stop.

» Survivor's benefit

Joint Life monthly pensions have a survivor's benefit. You select the survivor's benefit. The survivor's benefit can be 60%, 75% or 100%. The higher the survivor's benefit, the lower your monthly pension. The survivor's benefit is used to determine the monthly pension your surviving spouse will receive if you predecease them. The guarantee period impacts the survivor's benefit as well.

Example - *Joint Life monthly pension, 15-year guarantee, 60% survivor's benefit*

- You are receiving a monthly pension of $1000/month.

- If you pass away after the 15-year guarantee period, your surviving spouse will get $600/month (60% of your monthly pension) until their passing.
- If you pass away before the 15-year guarantee period, your surviving spouse will get $1000/month until the end of that 15-year guarantee period and then will get $600/month until their passing.
- If your spouse passes away before you, you will continue to get $1000/month for your lifetime.
- If you both pass away before the end of the guarantee period, the remaining monthly pension payments will be paid to your beneficiary(ies) or estate (to the end of the guarantee period).
- If you both pass away after the end of the guarantee period, no further monthly pension payments or death benefit will go to a beneficiary or your estate.

Note that, if you select the 100% survivor's benefit, your surviving spouse will receive 100% of the monthly pension for their lifetime, regardless of when the guarantee period ends.

Under pension law, a spouse is entitled to receive a survivor's benefit. A Joint Life monthly pension meets this requirement and therefore no spousal waiver is required to make this decision.

» Monthly pension considerations

- Base your decisions on your personal circumstances. Everyone's situation is different. Speak with the professionals on the CSS team and with your personal financial advisors. Discuss your needs with your loved ones. Consider these questions:
  - Do you believe your spouse will need an income if you pass away first?
  - Do you have dependents you believe will need income in the event of your death?
  - What are your other sources of retirement income? What are your other financial needs and resources?

- Once you have applied for a CSS monthly pension, and the payments have started, you CANNOT change your pension or stop the payments. Please choose carefully!
- A CSS monthly pension provides a fixed amount of monthly income for the rest of your life - and also to your surviving spouse in the case of a Joint Life monthly pension. Your income will not vary as interest rates and investment returns fluctuate.
- With a monthly pension, you give up flexibility and control of your pension funds.
- A CSS monthly pension is not indexed for inflation.
- Your beneficiaries/estate will not receive any benefits if you (or your spouse, in the case of a Joint Life monthly pension) outlive the guarantee period.
- A CSS monthly pension is worry-free and requires no further action or decisions on your part.

What are CSS Variable Benefit (VB) payments?

CSS VB payments provide you, and your spouse (if applicable), with a flexible retirement income. While VB payments are flexible, it is important to note that they may not last a lifetime.

Depending on your circumstances, you can choose a monthly or annual income, make lump-sum withdrawals, and defer your income until as late as the end of the year your turn 71. Until the end of the year you turn 71, you can start and stop your income payments. Your income decisions are impacted by annual minimum income requirements and maximum income restrictions.

To set up VB payments, if you have a spouse, they will have to sign forms.

The income you receive from your CSS VB payments is taxable.

» Annual minimum income requirements

There are rules related to how little you must take (annual minimum requirement) and how much you can take (annual maximum restriction). The annual minimum requirement starts in the year you turn 72 and applies to all your money in your VB payment account.

Beginning in the calendar year you turn 72 years old, there is an annual minimum amount that you must withdraw. Until then, the annual minimum VB payment is zero.

The annual minimum requirement for VB payments is the same as the RRIF minimum (see Schedule C). The minimum can be based on your age, or if you have a spouse [as defined under the *Income Tax Act (Canada)*] it can be based on their age.

With VB payments, if your life arrangements change (i.e., if you are widowed and get remarried), you can change the age on which your minimum VB payments are calculated on.

» Annual maximum income restrictions

The annual maximum restrictions start when you set up your VB payment account and only apply to the locked-in funds held in your VB payment account. The annual maximum restrictions do not apply to your non-locked-in funds.

If you are entitled to pension benefits under Saskatchewan pension law, there is no annual maximum. All other pension jurisdictions have annual maximums (see Schedule D on page 40).

The annual maximum applies to all withdrawals and payments. You can take lump-sum withdrawals and payments as long as the total combined withdrawals in any one year from the locked-in funds do not exceed the annual maximum restriction for that year.

Remember – the higher your VB payments, the higher the chance of outliving your funds.

» Making payment change decisions

You are entitled to one free lump-sum withdrawal from your VB account per calendar year. Fees apply to any subsequent lump-sum withdrawals within the same calendar year.

Regardless of how much you set up your VB payments to be, you will be able to change the amount once per calendar year for free. Any subsequent changes within the same calendar year will be subject to an administration fee.

At any time you hold a VB payment account, you can reconsider your retirement income options. For example, there may be a time when you believe that a CSS monthly pension better suits your life needs. When you need to discuss these options, please contact CSS.

If you want your funds to provide VB payments for your lifetime (and your spouse's), it is strongly recommended that you regularly review the investment performance of your funds as well as your VB payment amount. It may be necessary to reduce the amount of your VB payments if the investment performance is less than you expected.

» Death benefits

The spouse at the time of your death is entitled to your CSS VB account. If you want your VB account funds to go to another person, your spouse will have to sign a waiver. If your spouse at the time of your death did not sign a waiver, that person is entitled to your CSS VB account.

When you set up your VB payments, you can name your spouse as a "specified beneficiary." Only your specified beneficiary can continue to receive VB payments from a pension plan. Your spouse will also have the option to transfer the funds to their credit union or financial institution.

When you set up your VB payments, you can name beneficiaries. A beneficiary that is not your spouse will receive the balance of your VB account as a taxable lump-sum payment [taxable in the hands of the receiving beneficiary(ies)]. If you do not name a beneficiary, then your estate will receive that balance.

If your marital status changes during the time you hold a VB payment account, please contact CSS.

» Investment options

When you are receiving VB payments, the investment options available to you are the same as they are now. In other words, when you are receiving VB payments, the funds in your CSS account stay invested in the Balanced, Money Market, Bond and/or Equity Funds, according to your investment instructions.

You can invest in any one Fund or any combination of the four Funds.

Additional information about the Plan's investment funds is available on our website and in the CSS *Quarterly Investment Report*.

Remember - You are responsible for your VB payments, investments and account decisions.

When you are saving for retirement, the investment strategy is to provide long-term growth. However, when you are retired, you may be more interested in capital preservation and a regular income with some protection from inflation.

In retirement, you may feel comfortable keeping all of your funds invested in the Balanced Fund or some combination of the Bond Fund and Equity Fund. By investing a significant percentage of your funds in stocks/equities, you could expect to reduce the impact of inflation. However, stocks/equities are expected to have occasional short-term losses, which could affect your retirement income or how long your funds will last.

On the other hand, investing all of your funds in the Money Market Fund, for example, will stabilize your expected return, but this strategy may be too conservative. Also, the expected return of the Money Market Fund would be too low to protect against inflation and could affect how long your funds will last.

As a retiree receiving VB payments, you might consider investing some of your funds in the Balanced Fund or some combination of the Bond Fund and Equity Fund, along with investing some in the Money Market Fund. By investing some of your funds in stocks and bonds, you can expect to earn higher long-term average returns, and also reduce the impacts of inflation. And, by investing some of your funds in the Money Market Fund you can expect to reduce your risk.

Allocating your funds between the Balanced Fund or some combination of the Bond Fund and Equity Fund, along with allocating some in the Money Market Fund is a matter of personal choice that will depend upon your overall financial and personal circumstances. As a result, the CSS Pension Plan suggests that you get advice from a qualified financial planner to assist with your decision.

It is your responsibility to instruct the Plan on the percentage of your funds that you want invested in each of the four investment Funds.[3] These percentages will depend upon your risk and return comfort level, as well as any other investments, savings or sources of income you might have.

» VB payment considerations

- VB payments may not provide lifetime income for you (or your spouse).
- VB payments offer flexibility. Subject to the annual minimum income requirements and the annual maximum restrictions, you may choose your payment plan. You can also make lump-sum withdrawals.

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[3] By submitting investment instructions online via your myCSSPEN account (or by completing an *Investment Instructions* form and submitting it to the CSS Pension Plan, along with any required processing fees) you can adjust how your pension funds are invested in each of the four investment funds.

- You must instruct the Plan on the investment of your funds between the four investment funds.
- If your rate of return is higher than expected, your payments may be higher or last longer than anticipated. However, the opposite holds true if your rate of return is lower than expected.
- Once you pass away, any remaining funds will roll over to your spouse or be paid as a taxable lump sum to your estate or named beneficiary(ies) (taxable in the hands of the person receiving the funds).
- You can convert some or all of your funds into a CSS monthly pension and make other retirement income decisions.
- If your retirement plan requires that your VB payments provide a certain level of income for a certain length of time, or last for your lifetime (and your spouse's), you must monitor your rate of return and control your withdrawals.

What is a life annuity?

Life annuities are very similar to the monthly pension options available from the CSS Pension Plan. A life annuity provides a fixed monthly payment to you for as long as you live. In the case of a joint life annuity, upon your death, a fixed monthly payment is also provided to your spouse .

Life annuities are available from life insurance companies. If you decide to use your pension funds for a life annuity, you must transfer your funds from the CSS Pension Plan to your chosen life insurance company.

Once you transfer your funds out of the CSS Pension Plan to a life annuity, you cannot transfer them back.

What is a Registered Retirement Income Fund?

A Registered Retirement Income Fund (RRIF) is a financial product designed to hold your money while you receive periodic income payments.

If a RRIF holds only non-locked-in money, it is typically referred to as a traditional RRIF.

If a RRIF holds locked-in money, depending on which pension law applies to the funds, it will be referred to as one of the following:

- Saskatchewan = prescribed Registered Retirement Income Fund (pRRIF)
- Alberta = Life Income Fund (LIF)
- British Columbia = Life Income Fund (LIF)
- Manitoba = Life Income Fund (LIF)
- Manitoba = prescribed Registered Retirement Income Fund (pRRIF)[4]
- Ontario = Life Income Fund (LIF)
- Federal = Life Income Fund (LIF)
- Federal = Life Income Fund (LIF) or Restricted Life Income Fund (RLIF)[5]
- Nova Scotia = Life Income Fund (LIF)

Details about the above products can be found in Schedule E.

After age 72:

Minimum: All income fund products have an annual minimum income requirement (See Schedule C). That minimum must start the year after you establish that income fund. The minimum can be based on your age, or if you have a spouse [as defined under the *Income Tax Act (Canada)*], it can be based on their age. However, the minimum for the first year of your income fund is zero. You can withdraw more than the minimum for the year,

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[4] Only available if you are unlocking 50% of your account at or after age 55 under Manitoba pension law. If this is your situation, you must first work with a CSS pension professional.

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[5] An RLIF is a life income fund product that is used to support the 50% unlocking option available with Federal pension funds.

subject to the maximum income restriction (if any). Work with your advisor from your credit union or financial institution to speak about your income needs.

Maximum: Most income fund products have a maximum income restriction (See Schedule D). A traditional RRIF, Saskatchewan pRRIF and the Manitoba pRRIF do not have a maximum income restriction. You can withdraw less than the maximum for the year, subject to the minimum income requirement. Work with your advisor from your credit union or financial institution to speak about your income needs.

Before age 72:

If you do not want to receive income from your income fund product and are under age 72, you may be able to move the funds into a registered savings product. If your income fund holds locked-in funds, examples of applicable registered savings products would include a Locked-In Retirement Account (LIRA), and a Locked-In Registered Savings Plan (Locked-in RRSP). If you have a traditional RRIF, then you would be moving the funds into an RRSP. Work with your advisor from your credit union or financial institution to determine what products are available to you, if any.

Any income you receive from an income fund is taxable.

» Death benefits of RRIF-like products

If your income fund holds locked-in funds, on your death, your surviving spouse is automatically entitled to your income fund balance. If you do not have a surviving spouse, or your spouse has signed a waiver to the death benefit, your beneficiary(ies) or estate will receive the balance in your account (taxable in the hands of **your** estate).

If you have a traditional RRIF, then your beneficiary(ies) or estate will receive the balance of your account.

Section 3:

CHOOSING YOUR RETIREMENT INCOME OPTION

Choosing your retirement income option

The choices you make will depend on your objectives, your personal situation and the economic environment.

The decision on how to use the funds in your CSS pension account is a far-reaching one and may concern others besides yourself. Below you will find some factors to consider. Not all of them may apply to your situation.

What is your objective for the pension funds?

Need a stable income for life? Looking to exit the investment markets? The CSS monthly pension (or a life annuity) would be an appropriate choice.

Want to leave unused pension funds to your heirs? Want to try and protect against inflation? The CSS Variable Benefit (VB) payments (or a registered income fund) may be well-suited for this objective.

Have several objectives (i.e., lifetime income, flexible spending, inflation protection goals)? A combination of the CSS monthly pension (or life annuity) and the CSS VB payments (or registered income funds) may be the way to go.

What is your tolerance for risk?

With a CSS monthly pension, you receive the same amount of monthly income for the rest of your life, regardless of what happens to investment rates.

If you choose a CSS monthly pension, be aware that the long-term interest rate environment on your starting date has a direct effect on the amount of your monthly payment.

Once you start your CSS monthly pension, your payment will not increase if long-term interest rates increase in the future. Neither will your payment decrease if long-term interest rates decrease.

A LIF can also provide a relatively stable income if the investment is a guaranteed fixed-rate type of investment, such as a 5-year GIC. Under this type of investment, your interest rate (e.g., investment return) is guaranteed for 5 years, so your income will be relatively stable for this period of time.

However, when this investment matures in 5 years, you have to re-invest the money at the interest rates in effect at that time. Also, because GICs are low risk, they do not pay a very high interest rate.

With CSS VB payments or a LIF, you bear the investment risk. If the investments do poorly, your income will fall or the payments may not last as long as anticipated. However, on the other side of the coin, you will benefit from good investment returns.

Taking on investment risk could allow you to protect some or all of the purchasing power of your retirement income. History suggests that, over the long term, investing in equities (e.g., stocks) can be a good strategy to hedge against inflation. CSS VB payments and LIFs will allow you to invest in equities. Inflation will gradually erode the purchasing power of a CSS monthly pension.

With CSS VB payments or a LIF, there is the risk you (and your spouse) may outlive your pension funds. Because you don't know how long you will live, making sure the pension funds last for your life (and your spouse's) will require self-discipline, careful planning and monitoring.

According to data from 2023, the average life expectancy for females was 83.89 years, whereas males could expect to live 79.51 years (Tahirali, 2024).

If you think that long-term interest rates are low now and predict

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[6] Generally, if inflation is stable, there will be little or no change in interest rates. However, if inflation increases substantially, interest rates will usually increase too (the opposite is usually true if inflation decreases).

they will increase in the future[6], you may not want to set up a CSS monthly pension or a life annuity now; however, you may need to convert your pension funds into a retirement income. CSS VB payments or a LIF would allow you to delay converting your pension funds into a CSS monthly pension or a life annuity while still receiving a retirement income.

What if you are not fully or permanently retiring?

If you plan to have an employment income and a pension, you may be concerned that you may have more income than you need. With CSS VB payments (or registered income fund payments), you can adjust your income, as long as you take at least the required minimum amount. As mentioned earlier, you may also stop CSS VB payments altogether if you are under age 71.

Your success during your retirement years can depend largely on how well you plan and prepare. Read this article to help you with your retirement planning.

Tahirali, J. (2024, December 5). "Canadian life expectancy up, but still below 2012 levels." *CTVNews.ca*. Retrieved December 17, 2024, from https://www.ctvnews.ca/mobile/health/canadian-life-expectancy-up-but-still-below-2012-levels-1.7135361

Section 4:

STEPS TO START

Steps to start

To start a CSS retirement income:

About three months before you want your pension to start, you should contact the CSS Pension Plan. We will provide you with your options package and access to one of our Retirement and Pension Advisors, so that you have all the information necessary to decide which option is best for you.

To transfer funds to a life annuity or other retirement income funds:

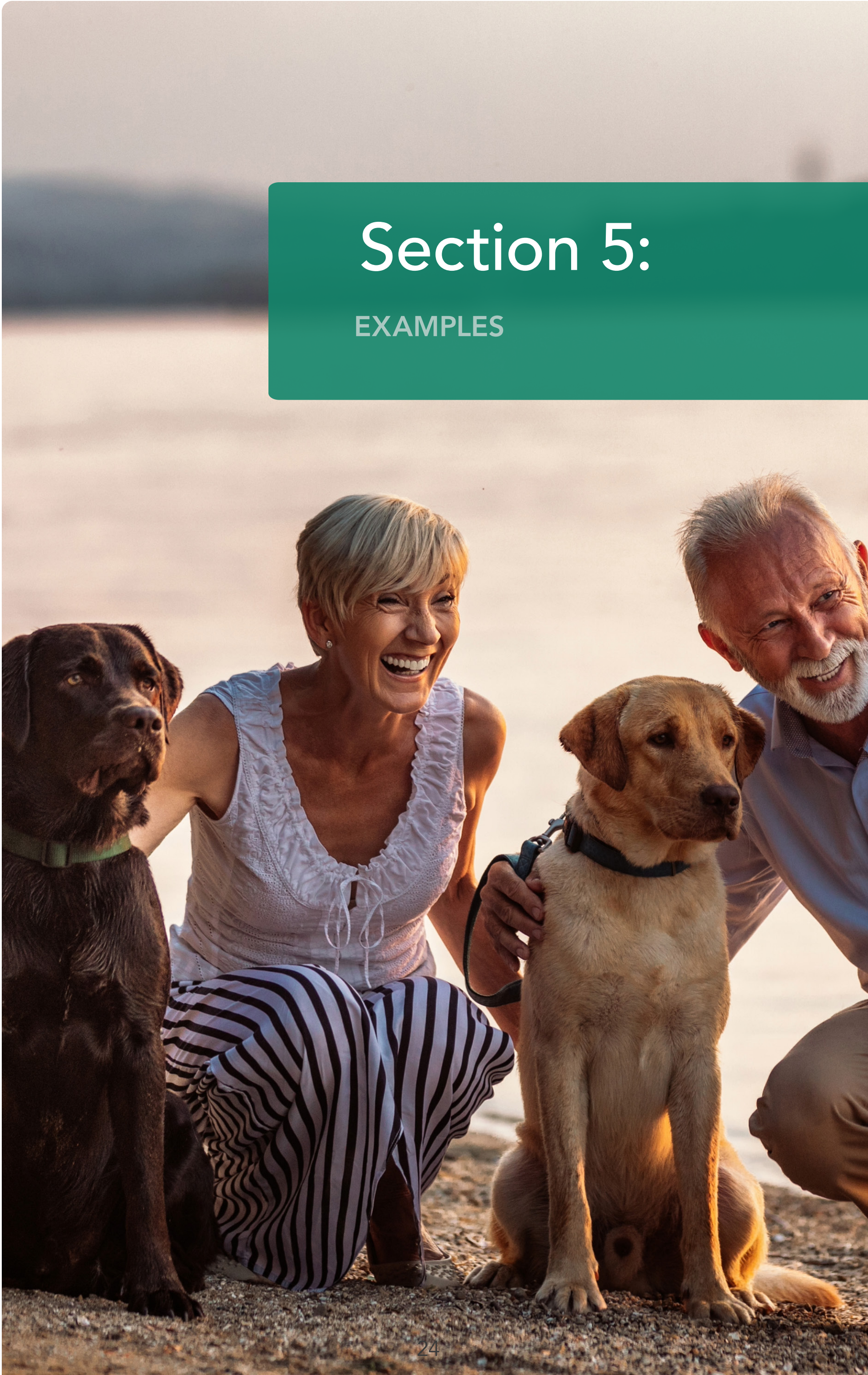
Please contact the CSS Pension Plan for the necessary forms for completion and return.

If you will be transferring funds out of the CSS Pension Plan, please note the following:

Upon receipt of all properly completed documents, the CSS Pension Plan will send your pension funds (by regular mail) to the financial institution issuing your life annuity, LIF, RLIF, RRSP or RRIF. If you and/or the financial institution want to have your pension funds sent by courier, at your/their expense, prior arrangements must be made with the Pension Plan.

Section 5:

EXAMPLES



Examples

The charts below are designed to illustrate some of your options. Your actual CSS monthly pension payments, VB payments and/or LIF payments will vary from the amounts indicated here. Your retirement income will depend on the amount of your pension funds, your personal situation and the rates of return.

TIP: Try myCSSPEN Compass® Retirement Income Planner

Chart 1: Examples of CSS monthly pensions

The chart below is based on $100,000 of pension funds and a pension conversion/annuity rate (long-term interest rate factor) of 3.0% (the CSS Pension Plan's 4-year average pension conversion rate at August 2024 was 3.0%).

Amount of monthly pension starting at various ages ($100,000 of pension funds)*

Pension Type	Age 55	Age 60	Age 65
Single Life, 10-Year Guarantee	$408.66	$450.35	$506.20
Single Life, 15-Year Guarantee	$404.75	$443.20	$492.17
Joint & Last Survivor, 75% Spousal Benefit, 10-Year Guarantee	$377.84	$412.11	$458.79
Joint & Last Survivor, 75% Spousal Benefit, 15-Year Guarantee	$376.84	$410.18	$454.57
Joint & Last Survivor, 100% Spousal Benefit, 10-Year Guarantee	$368.58	$400.77	$444.90
Joint & Last Survivor, 100% Spousal Benefit, 15-Year Guarantee	$368.38	$400.24	$443.29

*This chart is for illustrative purposes only. Your actual monthly pension starting at age 55, 60 or 65 will be different than the amounts shown in the chart. The Joint & Last Survivor amounts assume that the pensioner and spouse are the same age.

Observations:

A Single Life pension pays a higher monthly amount than a Joint & Last Survivor pension.

The longer the guarantee period, the lower the monthly pension.

The higher the spousal benefit coverage for the spouse, the lower the monthly pension.

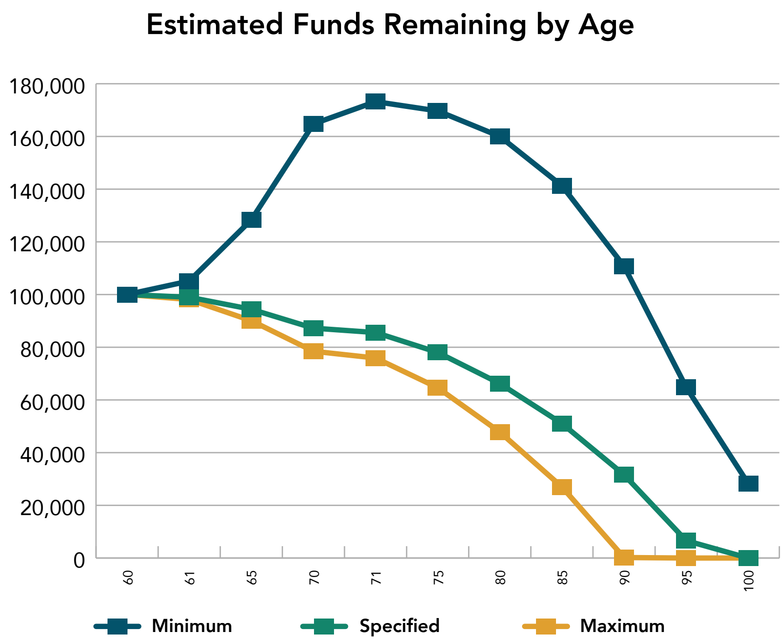
All other factors being equal, the older you (and your spouse) are when you start your pension, the higher your monthly pension will be.

Chart 2: VB minimum, specified and maximum payments

The charts on pages 27 and 28 illustrate the VB minimum and maximum monthly withdrawals, as well as a specified payment of $350.00 monthly, and also the estimated funds remaining in the VB account for each payment illustration. It is based on an account balance of $100,000 at Age 60 and a rate of return of 5% (for August 2024 the 5-year GIC rate is about 3.5%). This illustration assumes that the 5% rate of return continues for the duration.

Estimated monthly VB payments starting Jan 2025							
Age	Date	Minimum		Specified		Maximum	
		Payment	Balance	Payment	Balance	Payment	Balance
60	Jan 2025	$0	$100,00	$350	$100,00	$403	$100,000
61	Jan 2026	$0	$105,117	$350	$100,827	$411	$100,177
65	Jan 2030	$0	$128,356	$350	$104,595	$443	$100,003
70	Jan 2035	$0	$164,753	$350	$110,493	$494	$97,036
71*	Jan 2036	$763	$173.207	$493	$111,872	$507	$95,960
75	Jan 2040	$825	$169,963	$533	$109,765	$569	$89,265
80	Jan 2045	$910	$160,020	$588	$103,323	$669	$73,445
85	Jan 2050	$1,003	$141,295	$647	$91,207	$794	$45,799
90	Jan 2055	$1,101	$110,795	$711	$71,522	$0	$349
95	Jan 2060	$1,081	$64.848	$698	$41,853	$0	$0
100	Jan 2065	$471	$28,237	$350	$18,210	$0	$0

*First year in which the minimum payment must be taken



Observations:

No payment is required until after turning age 71.

For many years, the minimum annual withdrawal increases each year as the member gets older, then it eventually starts to decrease slightly until age 95 when it starts to drastically decrease.

The balance in the VB account actually increases for a number of years, provided that only the minimum annual amount is withdrawn.

If the maximum monthly payment is taken each year, the funds are exhausted at age 90.

As shown in the *Specified* column, if you want the funds to last beyond age 90, you must withdraw less than the maximum each year.

Section 6:

IMPORTANT TERMS AND OTHER INFORMATION

Schedule A - Defining "spouse"

SPOUSE

Federal: Common-law partner, in relation to an individual, means a person who is cohabiting with the individual in a conjugal relationship, having so cohabited for a period of at least one year; spouse, in relation to an individual, includes a person who is party to a void or, in Quebec, null marriage with the individual.

Alberta: Persons are "Pension Partners" on any date on which one of the following applies: (a) they (i) are married to each other, and (ii) have not been living separate and apart from each other for a continuous period longer than 3 years; (b) if clause (a) does not apply, they have been living with each other in a marriage-like relationship (i) for a continuous period of at least 3 years preceding the date, or (ii) of some permanence, if there is a child of the relationship by birth or adoption.

British Columbia: Persons are "Spouses" for the purposes of this Act on any date on which one of the following applies: (a) they (i) are married to each other, and (ii) have not been living separate and apart from each other for a continuous period longer than two years; (b) they have been living with each other in a marriage-like relationship for a period of at least two years immediately preceding the date.

Manitoba: "Common-law partner" of a member or former member means: (a) a person who, with the member or former member, registered a common-law relationship under section 13.1 of *The Vital Statistics Act*, or (b) a person who, not being married to the member or former member, cohabited with him or her in a conjugal relationship (i) for a period of at least three years, if either of them is married, or (ii) for a period of at least one year, if neither of them is married; "spouse" of a person means the individual who is married to that person.

Nova Scotia: "Spouse" means either of two persons who: (i) are married to each other, (ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity, (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, where they have ceased to cohabit, have cohabited within the twelve-month period immediately preceding the date of entitlement, (iv) are domestic partners within the meaning of Section 52 of the *Vital Statistics Act*, or (v) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least:

(A) three years, if either of them is married, or (B) one year, if neither of them is married;

Ontario: "Spouse" means, except where otherwise indicated in this Act, either of two persons who,

- (a) are married to each other, or
- (b) are not married to each other and are living together in a conjugal relationship,
  - (i) continuously for a period of not less than three years, or
  - (ii) in a relationship of some permanence, if they are the parents of a child as set out in section 4 of the *Children's Law Reform Act*;

Saskatchewan: "Spouse" means: (i) a person who is married to a member or former member; or (ii) if a member or former member is not married, a person with whom the member or former member is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the member or former member as their spouse for at least one year prior to the relevant time.

Schedule B – Retirement income fund products

As mentioned earlier in this publication, a Registered Retirement Income Fund (RRIF) is a financial product designed to hold your money while you receive periodic income payments.

If a RRIF holds only non-locked-in money, it is typically called a traditional RRIF. The section on "RRIFs" provides more information.

If a RRIF holds locked-in (pension) money, depending on which pension law applies to the funds, it will be referred to as a Life Income Fund (LIF), prescribed Registered Retirement Income Fund (pRRIF) or a Restricted Life Income Fund (RLIF). The section on "locked-in RRIFs" provides more information.

Let's learn more about locked-in RRIFs

What is a retirement income fund that holds locked-in (pension) money?

If an RRIF holds locked-in (pension) money, depending on which pension law applies to the funds, it will be referred to as one of the products below. Each pension law has its own version of a Registered Retirement Income Fund designed to hold pension money.

1. Life Income Fund (LIF)

This is the name of a RRIF that holds pension funds for the persons entitled to benefits under Alberta, British Columbia, Manitoba, Nova Scotia, Ontario and Federal pension law. A LIF has a minimum annual withdrawal requirement and a maximum annual withdrawal limit.

2. Prescribed Registered Retirement Income Fund (pRRIF)

This is the name of a RRIF that holds pension funds for persons entitled to benefits under Saskatchewan pension law. In addition, the Manitoba version of a pRRIF is used when triggering the 50% unlocking option available for Manitoba members aged 55 and older. A pRRIF has a minimum annual withdrawal requirement.

3. Restricted Life Income Fund (RLIF)

This is the name of a RRIF that holds pension funds for persons entitled to the pension law of Federal, where the person (age 55 or older) is doing (or has done) the 50% unlocking option available under Federal pension law. Up to 50% of an RLIF can be unlocked and transferred to an RRSP/RRIF (provided it happens within 60 days of creating the RLIF). A RLIF has both a minimum annual withdrawal requirement and a maximum annual withdrawal limit.

A RRIF, and the locked-in versions of a RRIF (described above), is very similar to a CSS Variable Benefit (VB) payments account. RRIFs (and the locked-in versions) are available from a credit union or financial institution, whereas the VB payments account is available from CSS Pension Plan.

IMPORTANT NOTE: For ease of reference, unless specifically speaking to a product, the above retirement income funds that hold locked-in (pension) money will be referred to as LIF/pRRIF in this Schedule.

What are some tax considerations I should be aware of with a LIF/pRRIF?

Withdrawals from a LIF/pRRIF are taxable as income. Starting at age 65, LIF/pRRIF withdrawals qualify for the pension income amount when calculating your non-refundable tax credits and for the pension income splitting provision.

Does my spouse have to sign a consent/waiver form(s) to transfer my locked-in funds to a LIF/pRRIF?

Yes, your spouse must sign a consent/waiver form(s) before locked-in funds can be transferred to a LIF/pRRIF.

Is there a minimum annual withdrawal for the LIF/pRRIF?

The minimum annual withdrawal requirement is the amount you must withdraw each year in accordance with the *Income Tax Act (Canada).*

A LIF/pRRIF has a minimum annual withdrawal requirement. The amount is the same as for a RRIF (Schedule C). You don't have to withdraw money in the calendar year you open the LIF/pRRIF, but after that, you must withdraw at least the minimum amount, which can be based on your age or your spouse's age. With a LIF/pRRIF, once you have set the age at which the minimum calculation will be based, you cannot change that age.

Is there a maximum annual withdrawal limit?

For a LIF/RLIF (all jurisdictions, including MB and ON; but excluding SK) – There is a maximum annual withdrawal limit. Each pension jurisdiction has a slightly different formula to calculate that maximum. If you withdraw the maximum amount each and every year, your LIF may not last your lifetime or provide enough income in your later years.

- Alberta, British Columbia, Manitoba, Nova Scotia and Ontario: The limit is the greater of the previous year's investment earnings, or the maximum withdrawal percentage (Schedule D).
- Federal: The limit is the maximum withdrawal percentage (Schedule D).

For a pRRIF (SK and MB only) - There is no maximum withdrawal limit. You can also make cash lump-sum withdrawals from a pRRIF, subject to any investment restrictions imposed by the issuing credit union or financial institution.

Can I withdraw less than the maximum annual withdrawal limit?

Yes. You can withdraw the minimum for the year, the maximum for the year, or any amount between the minimum and maximum.

How much income will I receive from my LIF/pRRIF each year?

If you take out at least the required minimum each year, you can set up your LIF/pRRIF to pay you whatever amount you want. However, just like VB payments, once your money in the LIF/pRRIF is used up, that's it!

Can the payments from a LIF/pRRIF be stopped?

LIF and pRRIF (all jurisdictions, except for AB) - Yes, until you are age 71 and have withdrawn at least the minimum for the year, you can convert your LIF/pRRIF to a locked-in retirement account (LIRA). You can then leave the funds "parked" in the LIRA to grow.

RLIF (Federal only) – Yes, until you are age 71 and have withdrawn at least the minimum for the year, you can convert your RLIF to a Restricted Locked-In Savings Plan (RLSP). You can then leave the funds "parked" in the RLSP to grow.

LIF (AB) – No. Once the LIF is established, you must withdraw at least the minimum each year.

When can I transfer my locked-in funds into a LIF/pRRIF?

LIF and pRRIF (SK) - If you are over age 50 and no longer working for a participating employer of the Plan, you can transfer your locked-in funds into these products at any time.

pRRIF (MB) and RLIF - If you are 55 years old or older and no longer work for a participating employer of the Plan, you can transfer your locked-in funds into these products at any time.

What happens to the money in my LIF/pRRIF when I die?

If you have a surviving spouse at the time of your death, the LIF/pRRIF automatically rolls over to your spouse. However, your spouse may waive their beneficiary status. Your spouse may revoke this waiver at any time before death.

If you don't have a surviving spouse or if your spouse has signed the waiver, the balance of the LIF/pRRIF is paid as a lump sum to your estate or named beneficiary(ies) upon your death. Unlike a death benefit from a VB payment account, a death benefit paid from a LIF/pRRIF product is taxable to your estate.

What are some important points to keep in mind about LIF/pRRIFs?

- A LIF/pRRIF may not provide you (or your spouse) lifetime income.
- The LIF/pRRIF offers flexibility (subject to minimums and maximums, as applicable). You may choose your payment plan instead of withdrawing at least the "annual minimum payment" each year. You can also make lump-sum withdrawals.
- You direct and control the investment of your funds.
- If your LIF/pRRIF investments do well, your payments may be higher or last longer than anticipated. However, the opposite holds true if your investments do poorly.
- Once you pass away, the funds remaining in your LIF/pRRIF would roll over to your spouse, or be paid as a taxable lump-sum to your estate or named beneficiary(ies) (taxable to your estate).
- At any time, you can convert some or all the funds in your LIF/pRRIF to a life annuity.
- If your retirement plan requires that your LIF/pRRIF provide for a certain level of income for a certain length of time, or last for your lifetime (and your spouse's), you must monitor the performance of your investments and control your withdrawals.

Let's learn more about a traditional RRIF

What is a traditional Registered Retirement Income Fund (RRIF)?

A Registered Retirement Income Fund (RRIF) holds non-locked-in funds. Credit unions and financial institutions offer RRIFs. There is no maximum annual withdrawal limit for a RRIF.

Non-locked-in pension monies can be transferred to a RRIF. Registered Retirement Savings Plans (RRSP) monies can also be transferred into a RRIF.

Withdrawals from a RRIF are taxable as income. Starting at age 65, RRIF withdrawals qualify for the pension income amount when calculating your non-refundable tax credits and the pension income splitting provision.

Is there a minimum annual withdrawal for the RRIF?

The *Income Tax Act (Canada)* sets the minimum annual withdrawal for the RRIF (see Schedule C). You don't have to withdraw money in the calendar year in which you open the RRIF, but after that you must withdraw at least the minimum, which can be based on your age or your spouse's age. With a RRIF, once you have set the age at which the minimum calculation will be based, you cannot change that age.

How much income will I receive from my RRIF each year?

If you take out at least the required minimum each year, you can set up your RRIF to pay you whatever amount you want. However, just like VB payments, once your money in the RRIF is used up, that's it!

Can I make lump-sum withdrawals from a RRIF?

Yes. Subject to any investment restrictions imposed by the issuing credit union or financial institution.

Can the payments from a RRIF be stopped?

Yes, you can convert your RRIF to an RRSP until you are age 71. There is no minimum withdrawal requirement for funds held in an RRSP. By the end of the year you turned 71, you must then convert your RRSP into a RRIF or other income generating product, or collapse the RRSP as cash.

What happens to the money in my RRIF when I die?

If you have a surviving spouse at the time of your death, and if they are named as the beneficiary of your RRIF, the RRIF rolls over to your spouse. If you do not name your spouse as beneficiary (or if your spouse has pre-deceased you), the RRIF is paid as a taxable lump sum to your estate or named beneficiary(ies) (taxable to your estate).

What are some important points to keep in mind about RRIFs?

- A RRIF may not provide you (or your spouse) lifetime income.
- The RRIF offers flexibility (subject to minimums). You may choose your payment plan instead of withdrawing at least the "annual minimum payment" each year. You can also make lump-sum withdrawals.
- You direct and control the investment of your funds.
- If your investments do well, your payments may be higher or last longer than anticipated. However, the opposite holds true if your investments do poorly.
- Once you pass away, the funds remaining in your RRIF would roll over to your spouse (if you named them beneficiary), or be paid as a taxable lump-sum to your estate or named beneficiary(ies) (taxable to your estate).
- At any time, you can convert some or all the funds in your RRIF to an annuity.
- If your retirement plan requires that your RRIF provide for a certain level of income for a certain length of time, or last for your lifetime (and your spouse's), you must monitor the performance of your investments and control your withdrawals.

Schedule C - Annual minimum income requirements

Mininum income requirements for Variable Benefit (VB) payments and other registered retirement income products (e.g., LIF, RLIF, pRRIF, LRIF, etc.)

Annual minimum income requirement percentages (The minimum for age 94 is 18.79% & 20% each year thereafter)							
Age	%	Age	%	Age	%	Age	%
50	2.50	61	3.45	72	5.40	83	7.71
51	2.56	62	3.57	73	5.53	84	8.08
52	2.63	63	3.70	74	5.67	85	8.51
53	2.70	64	3.85	75	5.82	86	8.99
54	2.78	65	4.00	76	5.98	87	9.55
55	2.86	66	4.17	77	6.17	88	10.21
56	2.94	67	4.35	78	6.36	89	10.99
57	3.03	68	4.55	79	6.58	90	11.92
58	3.13	69	4.76	80	6.82	91	13.06
59	3.23	70	5.00	81	7.08	92	14.49
60	3.33	71	5.28	82	7.38	93	16.34

Remember:

- VB payments - no minimum requirement until the year you turn 72 and thereafter.
- Retirement income funds - minimum requirements commence the year after you set up the product.

Schedule D - Annual maximum income restrictions

Maximum income restrictions for VB payments and other registered retirement income products (e.g., LIF, RLIF, pRRIF, LRIF, etc.)

2025 Maximum withdrawal percentage							
Age	AB, BC, ON	MB, NS	FED	Age	AB, BC, ON	MB, NS	FED
50	6.27%	6.10%	4.88%	70	8.22%	7.90%	6.73%
51	6.31%	6.10%	4.92%	71	8.45%	8.10%	6.96%
52	6.35%	6.10%	4.96%	72	8.71%	8.30%	7.22%
53	6.40%	6.10%	5.00%	73	9.00%	8.50%	7.52%
54	6.45%	6.10%	5.04%	74	9.34%	8.80%	7.86%
55	6.51%	6.40%	5.10%	75	9.71%	9.10%	8.27%
56	6.57%	6.50%	5.15%	76	10.15%	9.40%	8.73%
57	6.63%	6.50%	5.21%	77	10.66%	9.80%	9.26%
58	6.70%	6.60%	5.27%	78	11.25%	10.30%	9.88%
59	6.77%	6.70%	5.34%	79	11.96%	10.80%	10.62%
60	6.85%	6.70%	5.42%	80	12.82%	11.50%	11.50%
61	6.94%	6.80%	5.50%	81	13.87%	12.10%	12.59%
62	7.04%	6.90%	5.59%	82	15.19%	12.90%	13.95%
63	7.14%	7.00%	5.68%	83	16.90%	13.80%	15.70%
64	7.26%	7.10%	5.79%	84	19.19%	14.80%	18.03%
65	7.38%	7.20%	5.91%	85	22.40%	16.00%	21.30%
66	7.52%	7.30%	6.04%	86	27.23%	17.30%	26.21%
67	7.67%	7.40%	6.19%	87	35.29%	18.90%	34.41%
68	7.83%	7.60%	6.35%	88	51.46%	20.00%	50.80%
69	8.02%	7.70%	6.53%	89+	100.00%	20.00%	100.00%

Schedule E - Unique pension rules

Alberta

As an Alberta member, you have a one-time option to unlock up to 50% of your locked-in pension funds. This option is available only on full retirement (i.e., when employment has terminated). It will give you more flexibility and control over this portion of your pension funds.

To qualify for this option, you must be age 50 or older, and your spouse (if applicable) must sign the appropriate consent form. This option is exercised when setting up a retirement income with your locked-in funds. In other words, if you are not yet 50 and are not setting up a monthly pension, a life annuity, Variable Benefit (VB) payments and/or a LIF with your locked-in funds, you cannot exercise the 50% unlocking option.

The unlocked funds can be paid to you as cash (subject to income tax), transferred to an RRSP or RRIF with a credit union or financial institution, or remain in the CSS Pension Plan for VB payments; the unlocked funds used for VB payments would not be subject to the maximum annual withdrawal limit.

If you do not elect to do the 50% unlocking option at retirement, you will not be provided the option at a later date.

IMPORTANT: If you commence retirement income using CSS Pension Plan funds *before* you are age 50 (i.e., if your age plus years of continuous service with one or more participating employers equals a factor of 75, or if you triggered a disability pension), you will not be eligible for the 50% unlocking option at the time of retirement, nor when you reach age 50.

The Alberta unlocking process can be completed entirely within your CSS Pension Plan.

Phased retirement

If you select a phased retirement, you will not be able to trigger the 50% unlocking option. This is the case at the time of starting your phased retirement, and even when you do fully retire – you will not be able to trigger the 50% unlocking option. This would be an irrevocable decision.

British Columbia

Phased retirement

If you select a phased retirement, only the Variable Benefit (VB) payments retirement income option is available to you.

Manitoba

In Manitoba, two unlocking options are available:

- Age 55 or older: 50% unlocking
- Age 65 or older: 100% unlocking

Age 55 or older – 50% unlocking

As a Manitoba member, you have a one-time option to transfer up to 50% of your locked-in pension funds into a Prescribed Registered Retirement Income Fund (pRRIF). The pRRIF option will give you more flexibility and control over this portion of your pension funds. As long you withdraw the RRIF minimum each year, you can withdraw whatever amount you like from your pRRIF. Please see Schedule B for more information about the Manitoba pRRIF.

To qualify for this option, you must be at least age 55 and your spouse (if applicable) must sign the appropriate consent form. This option is available for the funds that you have in a LIRA, LIF and/or your locked-in funds in the CSS Pension Plan. In other words, you have a one-time option to unlock 50% of the funds you have in a LIRA, LIF and your locked-in funds in the Pension Plan.

To unlock up to 50% of your locked-in funds in the CSS Pension

Plan, in addition to being at least age 55, you must no longer be contributing to the Plan.

When unlocking up to 50% of your locked-in funds in the Pension Plan, the unlocked funds must be transferred out to a pRRIF with a financial institution. If you wish, the unlocked funds in the pRRIF could be transferred back into the Plan for VB payments (not subject to a maximum annual withdrawal limit).

The Age 55+ Manitoba unlocking process is completed through a few steps taken between you, CSS Pension Plan, and your credit union or financial institution. If you wish to transfer your unlocking funds back to CSS Pension Plan, these are the steps:

- Contact our office to discuss this option.
- Complete and return the one-time transfer request. We will confirm eligibility.
- Upon eligibility confirmation, complete and return the One-Time Transfer Application Package, which includes:
    - Application for a One-Time Transfer, Confirmation of Maximum Available for One-Time Transfer, CSS Application for Transfer or Withdrawal, Form 4: Spousal Consent and CRA T2151
- The transfer must be completed within 90 days of the date that you receive the One-Time Application Package.
- Let your financial institution know that you are opening the account for unlocking purposes and planning on transferring the funds back to CSS.
- Within 30 days of the unlocking completion, to return the unlocked funds to CSS, you must complete a Transfer-in Package which includes:
    - CSS Application to Transfer-in and CRA T2033

Age 65 or older – 100% unlocking

In addition to the unlocking option described above, once you're 65 you will have another opportunity to unlock locked-in funds.

At or after age 65, any Manitoba locked-in funds you have in a LIRA or LIF can be 100% unlocked. These funds can be paid to you as a taxable lump sum or transferred to an RRSP or RRIF; and, you'll be able to spend them as you wish without any maximum withdrawal limit.

This unlocking option does not apply to your locked-in pension funds in the CSS Pension Plan. To take advantage of this unlocking option with your locked-in funds in the Pension Plan, once you are 65 or older, you'll have to transfer the funds out to a LIRA or LIF with a financial institution. Once these funds have been unlocked and are in an RRSP or RRIF, if you wish, you can then transfer them back to the CSS Pension Plan (where they would remain "unlocked," and the funds would not be subject to a maximum annual withdrawal limit).

The Age 65+ Manitoba unlocking process is completed in a few steps taken between you, CSS Pension Plan, and your credit union or financial institution. If you wish to transfer your unlocking funds back to CSS Pension Plan, these are the steps:

- Contact our office to discuss this option.
- Complete and return a Transfer-Out Package with help of your financial institution (you must keep some funds at CSS to be able to transfer back):
  - We will also prepare a Transfer-In Package at the same time, so it is ready to transfer back to CSS once unlocked.
- Meet with your financial institution to set up a LIRA/LIF and advise them that you are completing a transfer for unlocking purposes:
  - Once the funds have moved to the LIRA/LIF, all or some of those funds can be unlocked into an RRSP/RRIF.
- Complete and return the Transfer-in Package, which we will submit to the financial institution, and the unlocked funds will be transferred back to CSS.

Phased retirement

If you select a phased retirement, you employer must reduce your working hours.

Ontario

As an Ontario member, you have a one-time option to unlock up to 50% of your locked-in pension funds when you set up VB payments with the CSS Pension Plan, or a LIF with a credit union or financial institution. If you wish to exercise this option, you must apply to do so within 60 days of setting up your VB payments or LIF.

Applying to unlock up to 50% of your locked-in pension funds will give you more flexibility and control over this portion of your pension funds. The unlocked funds must be paid to you as a taxable lump sum, or as a transfer to an RRSP or RRIF with a credit union or financial institution.

If you transfer the unlocked funds to an RRSP or RRIF, you can then transfer them back to the CSS Pension Plan as VB payments, if you wish; and, since these are non-locked-in funds, they would not be subject to an annual maximum spending limit.

Federal

If your pension funds are subject to Federal pension law, when you are age 55 or older, you have the option to transfer some or all of your locked-in pension funds into a Restricted Life Income Fund (RLIF). Up to 50% of the locked-in funds in a RLIF can be unlocked. Unlocking funds will give you more flexibility and control over this portion of your retirement monies.

To qualify for this option, you must be at least age 55 and your spouse (if applicable) must sign the appropriate consent form. This option must be exercised within 60 days of setting up your RLIF with your credit union or financial institution. The unlocked funds must be paid to you as a taxable lump sum, or as a transfer to an RRSP or RRIF.

To complete the Federal unlocking process, you must transfer your locked-in funds from the CSS Pension Plan into a RLIF and then complete the unlocking process as described above; however, after the unlocking process is completed, you can transfer your funds back to the CSS Pension Plan as VB payments.

To transfer the remaining locked-in funds in the RLIF back to the CSS Pension Plan you must:

- Convert the RLIF to a Restricted Locked-in Savings Plan (RLSP) with a financial institution.
- The RLSP can then be transferred to the CSS Pension Plan as locked-in VB payments subject to the maximum spending limits.

The unlocked funds in the RRSP or RRIF can also be transferred back to the CSS Pension Plan - but as non-locked-in VB payments, and thus not subject to the maximum spending limits.

If you are interested in this provision, please contact the CSS Pension Plan for more information.

Saskatchewan

As a Saskatchewan member, your pension funds are fully unlocked when you convert your CSS Pension Plan account balance into a retirement income (meaning there is no annual maximum income restrictions).

Notes

The information in this booklet is designed to give members a better understanding of the retirement income options for their funds in the CSS Pension Plan. This booklet is not intended to replace the official Bylaws, Rules & Regulations of the CSS Pension Plan, nor provincial and federal legislation governing funds in registered pension plans. The CSS Pension Plan does not intend the information in the booklet to be relied upon as professional advice, and expressly disclaim any liability for its contents. You may wish to consult professional advisors to help determine the consequences of the retirement income options available for your pension funds (some of which are not reversible).

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