

Capital Pension Plan FAQs for Retirement



When can I retire?

Normal retirement age is age 65. However, you can retire from the Capital Pension Plan at the earlier of:

- age 50; or
- before age 50 if your age plus your pensionable service totals 75 or more.

Do I have to begin receiving income from my Capital Pension Plan account as soon as I retire?

No. You can retire from your employer and not receive income from your account immediately. According to pension legislation, you can defer receiving income from your account until the end of the calendar year in which you turn age 71.

How do I receive a pension from my Capital Pension Plan account?

Your account is converted to a "pension" by choosing one or more retirement income options available to you.

What are my retirement income options?

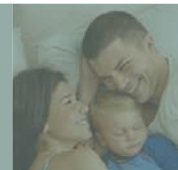
Your retirement income options are determined by your jurisdiction and the options available to you vary among jurisdictions. Generally speaking, your jurisdiction is based on your province of employment when you made your last contribution to the Capital Pension Plan (even if you subsequently move to another province).

The majority of Plan members are within the **Saskatchewan jurisdiction**. The options available to members within the Saskatchewan jurisdiction are:

- establish a Variable Benefit retirement option with the Capital Pension Plan;
- purchase a life annuity from the Capital Pension Plan's Retirement Annuity Fund;
- purchase a life annuity from a life insurance company;
- purchase a prescribed RRIF from a financial institution; or
- a combination of the above options.



www.capitalpension.com
Phone: 787-5918
Toll-free: 1-866-961-4377
Email: info@capitalpension.com



I believe my retirement jurisdiction is NOT Saskatchewan. What are my retirement options?

First, please verify your jurisdiction with the Capital Pension Plan. If you are indeed not within the Saskatchewan jurisdiction; your retirement options are:

- purchase a life annuity from the Capital Pension Plan's Retirement Annuity Fund; or
- transfer your account to a LIRA (i.e. locked-in retirement account) with a financial institution, then to a retirement option permitted by the legislation in your jurisdiction.

What is a Variable Benefit?

A Variable Benefit is a retirement option that provides flexible retirement income. With a Variable Benefit, your account remains invested with the Capital Pension Plan during retirement and investment earnings continue to accrue in your account tax deferred. At the same time, you can receive regular retirement income from your Variable Benefit account, with the flexibility and control to decide how much income you wish to receive. You also have the ability to periodically change your regular payments and/or make lump sum withdrawals to meet changing needs or cover unexpected expenses.

The Variable Benefit operates much like a prescribed RRIF (P-RRIF) and it is important to remember that like a P-RRIF, lifetime income is not guaranteed. It is up to you to monitor your regular payments and lump sum withdrawals to ensure your Variable Benefit lasts the length of time you desire.

Am I eligible for a Variable Benefit when I retire?

You are eligible for a Variable Benefit if you are within the Saskatchewan jurisdiction, which means you were employed in Saskatchewan when you made your last contribution to the Capital Pension Plan.

The terms and conditions of the Variable Benefit provided by the Capital Pension Plan complies with Saskatchewan legislative requirements, so the option is available to Plan members within the Saskatchewan jurisdiction only.

Can I transfer funds from another jurisdiction to my Capital Pension Plan account to establish a Variable Benefit?

No. If you transfer funds from another jurisdiction to the Capital Pension Plan, you may not be able to use that portion of funds to establish a Variable Benefit.

What is a Life Annuity?

A Life Annuity is a contract that guarantees a series of payments for the lifetime of the annuitant (i.e. the purchaser of the annuity) in exchange for a lump sum investment. A single life annuity guarantees payments for the lifetime of the annuitant only. A joint and last survivor life annuity guarantees payments for the lifetime of the annuitant and, in the event of the annuitant's death, guarantees survivor benefits to the spouse of the annuitant for his/her lifetime.



Can I purchase a Life Annuity directly from the Capital Pension Plan?

Yes. The Capital Pension Plan offers life annuities from the Retirement Annuity Fund.

What is a Prescribed RRIF (P-RRIF)?

A prescribed RRIF (P-RRIF) is essentially a Variable Benefit available from a financial institution.

Can I purchase a prescribed RRIF (P-RRIF) directly from the Capital Pension Plan?

No. P-RRIFs are available from financial institutions. The Capital Pension Plan offers a Variable Benefit, which is very similar to a P-RRIF.

Are my retirement income payments taxable?

Yes. All retirement income payments are fully taxable.

What happens to my pension if I go back to work?

If you receive your retirement income from a life annuity, your pension will continue if you become employed.

If you are receiving your retirement income from a Variable Benefit or P-RRIF, your retirement income can continue if you become employed. However, if you are under age 72, you may have the option to suspend or reduce your retirement income payments.