

There have been recent changes to the legislation and administration of your plan. You should be aware of those changes and how they may affect you.

End of Mandatory Retirement

On November 17, 2007, Saskatchewan government legislation eliminated mandatory retirement at age 65. That means Public Service Superannuation Plan (PSSP) and Liquor Board Superannuation Plan (LBSP) members now have the option to retire or continue to work beyond the age of 65. If you continue to work for a PSSP or LBSP employer after age 65, your active membership in the plan will continue subject to service and contribution caps. However, per the *Income Tax Act (ITA)*, you must commence your pension by the end of the calendar year in which you reach the age of 71. Please contact your employer for further information.

Guaranteed Indexing for Pensioners

On April 1, 2007, new Government of Saskatchewan legislation introduced guaranteed pension indexing equal to 70 per cent of the change in the Consumer Price Index (CPI) for Saskatchewan annually, for pensioners of the PSSP and LBSP.

The increases will occur on April 1st each year.

Pensions that commence after April 1st of each year will receive a pro-rated increase.

Adding a New Spouse After Retirement

This is a reminder that since 2003, the PSSP and the LBSP has allowed a retired member to designate a new spouse after retirement.

If you re-marry, including common law, you may designate a new spouse under these conditions:

- You do not have a spouse at retirement and acquire one after retirement;
- You divorce after retirement and acquire a new spouse; or
- Your spouse predeceases you after retirement and you acquire a new spouse.

If you add a new spouse after retirement, your pension will have to be re-calculated taking into account your new spouse's age. You will be responsible for the actuarial costs involved in the re-calculation of your pension.

Visit our website at www.peba.gov.sk.ca/pophome.htm to see our Information Sheet on *Adding a New Spouse After Retirement*. Or, call PSSP at (306) 787-3988.

Pension Income Splitting

Beginning in the 2007 tax year, Canadian residents may split eligible pension income with their resident spouse or common-law partner.



You are not required to split all of your eligible pension income. You may split up to 50 per cent of eligible pension income with your spouse.

Unlike the Canada Pension Plan (CPP), income splitting does not have to be split both ways. Also, it is not based on years the couple has lived together.

Both spouses must agree to pension splitting. A *Joint Election to Split*

to Pension Income T1032 form must be completed each year with your personal tax return.

Pension income splitting is for tax purposes only. Your full pension will continue to be paid to you and only you. Pension income splitting is the responsibility of the Canada Revenue Agency (CRA), not your pension plan. For more information, contact CRA at 1-800-267-6999.