

13. Glossary

Accrual Rate	the percentage of the highest average salary that is used for each year of pensionable service in the pension calculation.
Approved Leave of Absence	a period when a member is absent from work, with the employer's permission, and is not receiving remuneration.
Beneficiaries	an individual or entity named by a member to receive death benefits in the event of the member's death.
Certified Copies	<p>A photocopy of any document may be acceptable if certified. To certify a copy means to have an individual in a position of authority verify the photocopy to the original, then write "This photocopy is a true copy of the original document which has not been altered in any way" on the photocopy.</p> <p>Please see the PEBA website for individuals who may certify documents. In addition to those listed on the website MEPP also accepts documents certified by school principals, town administrators or an employee of PEBA. The individual certifying the photocopy must provide their title and sign and date the copy.</p>
Commutated Value	the amount of money, in today's dollars, required to pay a member's pension benefit in the future.
Eligibility Service	<p>the number of years and fractions of years a member's service with one or more of MEPP's participating employers, has not been interrupted by:</p> <ul style="list-style-type: none"> • a break in service for more than two years, or • a refund from MEPP. <p>Eligibility service is used to determine a member's eligibility for early retirement.</p>

13. Glossary

Death Benefit	the benefit paid to a spouse, named beneficiary or estate in the event of a member's death prior to retirement.
Designated Beneficiary	an individual or entity, other than a spouse, named by a member to receive death benefits upon a member's death.
Earliest Retirement Date	the earliest date that a member can retire and receive a pension benefit.
Enrolment Date	the date a member becomes eligible to join the plan.
Estate	the estate of a deceased member, within the meaning of <i>The Administration of Estates Act</i> .
Excess Contributions	the amount by which a member's contributions and interest exceed 50 per cent of the commuted value of the member's pension benefit.
Guarantee Period	a period of time during which 100 per cent of the member's monthly pension benefit is guaranteed to be paid whether to the member, or to the beneficiary(ies) in the event of the member's death after retirement. Guarantee periods commence on the date of retirement.
Highest Average Salary (HAS)	the average of a member's highest three years of pensionable salary.
Hours Paid	the actual number of hours for which the member received remuneration at the regular pay rate during a pay period.
Layoff	periods for which employment is suspended, but the member is expected to return to work within 24 months.

13. Glossary

Locked-in Retirement Account (LIRA)	a retirement savings account authorized by the <i>Income Tax Act</i> (Canada). LIRAs are similar to RRSPs, except the money deposited in a LIRA must be used to provide pension income at retirement and may not be withdrawn in a lump sum. Funds deposited in a LIRA cannot be used until the member reaches age 55.
Locked-in	the funds in your pension plan must be used to provide pension benefits at retirement and cannot be withdrawn as cash. Funds become locked-in once the member becomes vested.
Normal Retirement Date	the normal retirement dates for members are: <ul style="list-style-type: none"> • for General Members: age 65; and • for Designated Police Officers and Firefighters: age 60.
Pensionable Salary	<p>a member's regular pay, including acting pay, commissions, holiday pay, retroactive pay, and shift differential.</p> <p>Pensionable salary does not include overtime pay, pay for travel expenses, severance pay, standby pay, disability insurance premiums, reimbursement for membership fees, taxable benefits, or lump-sum payments in lieu of vacation or scheduled days off.</p> <p>Pensionable salary is used to determine member and employer contributions to the Plan and the member's highest average salary at retirement.</p>
Pensionable Service	the number of years and fractions of years that a member makes required contributions to the Plan. Pensionable service is credited based on the number of hours worked compared to the number of hours considered full time. Pensionable service is used to calculate the value of a member's pension benefit.

13. Glossary

Potential Hours	the number of hours a member could have worked in a pay period at the regular pay rate.
Registered Retirement Savings Plan (RRSP)	a retirement savings plan offered under the <i>Income Tax Act</i> (Canada). Contributions to RRSPs are tax deductible and interest earned on contributions accrues tax-deferred.
Small Pension Benefit	if either the value of the pension or the annual pension is below a certain amount, the small benefit rule allows the member to 'unlock' it. It may be transferred to another registered account or taken as a single taxable payment.
Spousal Waiver of Pre-Retirement Death Benefits	a waiver that permits a spouse to waive his/her right to spousal death benefits in the event of the member's death prior to retirement.
Vested	the member is eligible to receive pension benefits from the Plan. Members become vested after 24 consecutive months of employment with an eligible employer.