

PLAN OPTIONS

INTRODUCTION

There are eight different plans to choose from depending on whether you are single or married/common-law. Determining which plan is best for you is one of the most important decisions you will have to make before you retire.

If you are single, Plans A and B are the options available to you. If you are married or living common-law and you and your spouse or partner are cohabiting at the time of your retirement, all plan options are available to you.

Under Plans A and B, you can designate anyone as your beneficiary. Under Plans C to H, your spouse or partner must be your beneficiary.

In all cases, if the pension payments made to you and your beneficiary(ies), if applicable, total less than your contributions plus compounded interest at your retirement date, the difference is refunded to your estate or beneficiary. You may wish to designate a contingent beneficiary(ies) for this purpose. Your pension contributions and interest are generally paid out within eight to nine years of collecting pension.

PLAN OPTIONS

Plan A - Ordinary Life:

You will receive the full base pension until you pass away with no continuing pension to your estate or beneficiary.

Plan B - 10 or 15-Year Guarantee:

You will receive less than the base pension for your lifetime. If you pass away before the end of the 10 or 15-year guarantee period, the monthly pension will continue to your beneficiary or estate for the remainder of this period only.

Plan C - Full to Last Survivor (Plan Member or Partner):

You will receive less than the base pension. Upon the death of either you or your partner, the pension will continue in the same amount to the survivor for life.

Plan D - 2/3 to Last Survivor (Plan Member or Partner):

You will receive less than the base pension. Upon the death of either you or your partner, the pension will reduce to two-thirds and will be paid to the survivor for life.

Plan E - 1/2 to Last Survivor (Plan Member or Partner):

You may receive more or less than the base pension. Upon the death of either you or your partner, the pension will reduce to half and will be paid to the survivor for life.

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Plan F - 1/2 to Beneficiary (Partner Only):

You will receive less than the base pension for your lifetime. If your partner passes away before you, your monthly pension will not change. However, if you pass away before your partner, the pension will reduce to half and will be paid to your partner for life.

Plan G - 2/3 to Beneficiary (Partner Only):

You will receive less than the base pension for your lifetime. If your partner passes away before you, your monthly pension will not change. However, if you pass away before your partner, the pension will reduce to two-thirds and will be paid to your partner for life.

Plan H - Personalized Option:

If Plans A to G do not suit your needs, or you would like to change one slightly, you can design your own plan. It must involve monthly payments and it must be approved by the TRAF Board. This pension must be paid monthly and it must be acceptable under the *Income Tax Act*.

PENSION OPTION COMPARISONS

This table allows you to compare plans to better understand the benefits of each. The following assumptions have been used:

- Both you and your partner are age 55
- The basic pension is \$2,500 per month

Plan Option	At Retirement Payable To:		After First Death Payable To:	
	Plan Member	Plan Member	Plan Member	Beneficiary
A – Ordinary Life	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 0.00
B – 10 - Year Guarantee	\$ 2,493.00	\$ 2,493.00	\$ 2,493.00	\$ 2,493.00 *
B – 15 - Year Guarantee	\$ 2,475.75	\$ 2,475.75	\$ 2,475.75	\$ 2,475.75 *
C – Full to Last Survivor	\$ 2,348.25	\$ 2,348.25	\$ 2,348.25	\$ 2,348.25
D – 2/3 to Last Survivor	\$ 2,453.00	\$ 1,635.33	\$ 1,635.33	\$ 1,635.33
E – 1/2 to Last Survivor	\$ 2,509.00	\$ 1,254.50	\$ 1,254.50	\$ 1,254.50
F – 1/2 to Beneficiary	\$ 2,421.76	\$ 2,421.76	\$ 2,421.76	\$ 1,210.88
G – 2/3 to Beneficiary	\$ 2,396.75	\$ 2,396.75	\$ 2,396.75	\$ 1,597.83

* To end of guarantee period only.

HOW TO PROCEED

Before you make your decision, make sure you understand how each plan option works, including how your pension is impacted on your death or your partner's death, if applicable.

Select your plan option when you complete your pension application. If you are married or common-law and you select an option other than Plan D – 2/3 to Last Survivor, your partner must complete the "Spouse/Common-law Partner Authorization" section of the pension application. In addition, *The Pension Benefits Act* (Manitoba) requires a minimum pension of 60% be paid to a spouse/common-law partner on the member's death. If you wish to select a plan option that provides less than 60% to your partner (i.e., Plan A, B, E, F or H, if applicable), your partner must waive the minimum requirement by completing and submitting to TRAF *5A – Waiver of 60% Joint Survivor Pension* within 60 days prior to your pension effective date. TRAF will provide this form directly to your partner by mail at that time.

If the required waiver is not submitted within the prescribed time limits, your pension will default to Plan D – 2/3 to Last Survivor.

Your partner may revoke the authorization and waiver at any time before your pension commences by providing written notice to our office.

Submit your application and the required documents to TRAF at least three months prior to the date you want your pension to start, and up to 12 months in advance, except for *5A – Waiver of 60% Joint Survivor Pension*, if applicable, which must be submitted within 60 days prior to your pension effective date.

If you are registered for **Online Services**, you can apply for your pension online.