

# SERVICE TRANSFER

## INTRODUCTION

If you have service with another pension plan, you may wish to transfer that service to TRAF so that it can count toward your TRAF pension. Or, if you are leaving employment as a teacher in the Manitoba public school system, you may wish to transfer your TRAF service to your new employer's pension plan.

## WHY TRANSFER SERVICE?

Transferring your service into one plan offers the following advantages:

- Combines two smaller pensions into one
- Helps you meet eligibility rules with your new plan
- Reduces or eliminates early retirement penalties
- Provides you with a larger pension by allowing all service to be based on potentially higher salaries

## ELIGIBILITY

You must have at least 20 days in the plan you are transferring to, and you must not be receiving your pension. Each plan has its own rules with respect to the service that can be transferred.

Outstanding issues such as settlement of relationship breakdowns and service purchases must be finalized before the transfer can take place.

You can only transfer to the plan in which you have been employed most recently.

## ELIGIBLE PLANS

TRAF has reciprocal agreements with the following organizations:

- Alberta Teachers' Retirement Fund Board
- Ontario Teachers' Pension Plan Board
- Teachers' Pension Board of Trustees – British Columbia
- Teachers' Superannuation Commission Prince Edward Island
- Canadian Teachers' Federation Employees' Pension Plan
- Vestcor Inc. (Province of New Brunswick)
- Civil Service Superannuation Board
- Quebec Pension Commission
- Healthcare Employees' Benefit Plan
- Saskatchewan Teachers' Federation
- Legislative Assembly Pension Plan
- Saskatchewan Teachers' Superannuation Commission
- Teachers' Pension Plan Corporation (Newfoundland and Labrador)
- The Pension Plan for Officers and Employees (other than teachers) of the Winnipeg School Division
- Nova Scotia Pension Services Corporation

## HOW IT WORKS

The plan you are leaving will provide you with details such as the amount available to transfer and what your benefit will be if you decide not to transfer.

The plan you are transferring to will provide you with information such as the years of service that will be credited and the effect the transfer will have on your pension. Note that the salaries you earned in the plan you are leaving are not recognized in the plan you are joining and will not form part of your final average. You will also be provided with the transfer amount required and any shortfall that might exist.

After you receive this information, you can decide whether you would like to proceed with the transfer. Transfers can take up to six months or longer to complete.

### **If you have sufficient funds in your previous plan:**

You will receive full service credit in your new plan. Generally, this occurs when you are earning a lower salary in the plan you are transferring to compared to the plan you are leaving.

### **If you do not have sufficient funds in the previous plan:**

You will be credited with partial service and you will have the option to pay the shortfall to receive full service. Generally, this occurs when you are earning a higher salary in the plan you are transferring to compared to the plan you are leaving.

The transfer amount is based on a number of variables besides the salary you are earning. These include the plan formula and the interest rates in each plan. All will determine whether there are sufficient or insufficient funds. The amount of transferred service you are credited with may be capped if there is an overlap in service between each plan.

If you transfer your TRAF service to another plan, then return and request a service transfer back to TRAF, you may not receive full credit for your original TRAF service.

Be sure to consider all the above when making your decision.

*Transfers can take six months or longer to complete.*

## RRSP CONTRIBUTION ROOM MAY BE IMPACTED

A transfer from one plan to another plan may have an impact on your existing RRSP contribution room. Once your transfer is complete, Canada Revenue Agency (CRA) will let you know whether your RRSP room has increased or decreased. In some cases, there is no effect to your contribution room.

## HOW TO PROCEED

If you are interested in transferring service, complete a *Service Transfer Application* available through our website or from our office and forward it to the plan you are leaving and the plan you are transferring to. You will also need to provide proof of age (We require a copy\* of your birth certificate, valid Canadian passport, baptismal certificate or citizenship papers.)

\*Until further notice, original and certified copies are not required. However, TRAF reserves the right to request originals or certified copies.