



## Frequently Asked Questions

In this document, you will find answers to some frequently asked questions about the CMAW Target Pension Plan (CTPP). For more information about the plan, please read the plan booklet, available at [www.cmaw.ca](http://www.cmaw.ca).

### **Q: Can I withdraw the commuted (lump-sum) value of my pension?**

**A:** The money in the plan is intended for your retirement income – that’s why you typically cannot withdraw the money for other purposes. If you worked fewer than 350 hours over two consecutive plan years, your membership in the plan will automatically end. In this case, you can choose to either:

- Keep your benefit in the plan to receive a monthly pension later, or
- Transfer the lump-sum value of your pension out of the plan and move it to:
  - A locked-in RRSP;
  - Another registered pension plan (if that plan allows it); or
  - An insurance company to purchase an immediate or deferred pension.

All options above are available to you before the age of 55. After age 55, your pension is considered locked-in.

### ***If your pension is a small benefit on retirement or termination:***

If the value of your pension is less than 20% of the Year’s Maximum Pensionable Earnings (a limit set each year for Canada Pension Plan contributions), you can transfer your pension entitlement to a non locked-in RRSP or receive it as cash (less withholding tax) regardless of your age.

If your monthly pension is less than \$25.00, you will be paid the lump-sum value of your pension.

### **Q: How do I start my pension payments?**

**A:** Your pension payments do not begin automatically – you must apply. You should apply approximately **three months** before your intended retirement date.

When you are ready to retire, contact the administration office at 1-844-366-2629 to request the necessary forms and information on starting your pension. You will have several options for your pension payments, which will affect how much will go to your spouse, beneficiary or estate after your death.

### **Q: I am currently receiving a pension and wish to change my banking information. How do I do that?**

**A:** Please provide the administration office with a written request with your new account details. For security purposes, banking information cannot be changed over the phone.

### **Q: I am going through a divorce. How will this affect my pension?**

**A:** A portion of your pension may be divided between you and your former spouse and your pension may be reduced based on your separation agreement in accordance with applicable family law legislation. If your pension must be divided, you and your former spouse will be required to pay an

administrative fee of \$750 to the plan. Calculations or estimates cannot be provided until the administrative fee is paid.

**Q: What happens if I pass away before retirement?**

**A: If you have a spouse, he or she can choose to receive the value of your pension as:**

- A monthly payment payable for life, or
- A lump-sum payment, which your spouse can transfer to:
  - A locked-in RRSP;
  - Another registered pension plan (if that plan allows it); or
  - An insurance company to purchase an immediate or deferred pension.

**If you don't have a spouse**, your beneficiary (or estate, if you did not designate a beneficiary) will receive the value of your pension as a lump-sum cash payment, less withholding tax.

**Q: When should I retire? What option should I elect for my pension?**

**A:** When to retire is a personal decision. The amount you will need to retire comfortably will depend on several factors, including your desired lifestyle, health and family status. It's a good idea to contact an unbiased, independent financial advisor to form a complete picture of your retirement income and savings needs.

FP Canada can help you find a certified financial planner if you do not already have one. FP Canada is a national professional body working in the public interest, dedicated to fostering better financial health for Canadians by certifying professional financial planners and leading the advancement of professional financial planning in Canada. For more information, visit [fpcanada.ca](http://fpcanada.ca).

**Get FREE financial support – through your Employee and Family Assistance Program (EFAP)**

Did you know that you, your spouse and your dependents can get free, unbiased, independent financial and retirement planning support through your EFAP? It is a confidential service, and can provide you with helpful budgeting, debt management and savings tools. To get started, call 1-844-880-9142, available 24/7!

The options available to you at retirement will depend on whether you are single or have a spouse. For information on your pension options, please read the plan booklet (available at [www.cmaw.ca](http://www.cmaw.ca)) or contact the administration office at 1-844-366-2629.

**Q: What forms do I need to return to select a pension option? Do I need to complete the CRA T2151?**

**A:** Refer to the "Document Checklist" of your statement. The T2151 form is only required for transfers between the Plan and another registered account, such as an RRSP. It is not required for cash payments.

**Q: I missed the deadline for submitting my paperwork. What do I do?**

**A: For a termination payout:** You can still submit the forms, provided you have not yet reached age 55. The amount you will receive will be recalculated once we receive your paperwork.

**For starting your pension:** You will need to change your retirement date – monthly payments cannot be made retroactively. Please contact the administration office at 1-844-366-2629.