



Understanding Your Benefits

Pension



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The information in this brochure reflects the current rules of and the benefits provided under the Healthcare Employees' Pension Plan - Manitoba (the Plan, the HEB Manitoba Pension Plan).

The Plan may be amended from time to time by action of the Board of Trustees for the Plan, subject to the terms of the Plan and the requirements of applicable legislation. Amendments to the Plan may amend, modify, suspend, or terminate benefits provided under the Plan. This may have a positive or negative impact on the information presented in this brochure. The Plan benefits to which you may be entitled can only be determined by reference to the official Plan documents, as amended from time to time.

The information presented in this brochure does not create or confer any rights to benefits and is subject to change if any errors in your pension data are identified and corrected. In the event of any error or omission or conflict between the information presented in this brochure and the official Plan documents, the official Plan documents and applicable legislation will govern in all cases.

We look forward to serving you!



Welcome!

This brochure provides an overview of the provisions of the Healthcare Employees' Pension Plan (also referred to as HEPP, the HEB Manitoba Pension Plan, the Pension Plan or the Plan).

Information in this brochure is intended to be general and is written in plain language as much as possible. An exact and complete description of the Pension Plan provisions and entitlements can be found in the HEPP Plan Text. Where questions arise about interpretation, the HEPP Plan Text will govern. The Pension Plan is subject to the provisions of Manitoba's *Pension Benefits Act* and the *Income Tax Act*.

About the Healthcare Employees' Pension Plan

The Healthcare Employees' Pension Plan was established effective January 1, 1997, to provide pension benefits to Manitoba's active and retired healthcare employees and their beneficiaries. It is one of the largest pension funds in Manitoba and among the top 50 in Canada.

The Plan is governed by an independent, 12-member board of trustees, with equal representation from healthcare-related unions in Manitoba and Participating Employers. Trustees act on behalf of the Plan's beneficiaries to manage the organization and to manage and invest the assets of the Plan.

HEPP is a defined benefit pension plan. Unlike a Registered Retirement Savings Plan (RRSP) or a defined contribution pension plan, a defined benefit pension plan uses a formula, rather than investment income derived from pension contributions, to determine benefits payable to eligible members at retirement.

With a defined benefit pension, your pension is paid for life; you will not outlive your pension funds.

Your Pension Career

Membership

In most cases, membership in the Plan is voluntary for full-time, part-time, term and casual employees at any time during the first two years of employment.

However, if you are a member of the Plan with another Participating Employer or you were a member of the Plan within 31 days before new employment with a Participating Employer, you must join the Plan on the first day of the new employment as you are considered to have maintained membership in the Plan.

If you are employed with two or more Participating Employers and you become a member of the Plan with one of the employers, either voluntarily or based on HEPP Plan Text requirements, you must contribute to the Plan with all of your employers that participate in the Plan.

It is a legislative requirement for employees to participate in the Plan upon completing two years of continuous employment.

Once you start contributing to the Plan, whether on your first day of employment, during your first two years of employment, or upon completion of two years of continuous employment, you may not terminate your membership until the earlier of termination of employment, retirement, death or reaching age 65.

If You Are Already Receiving a Monthly Pension

If you are already receiving a monthly pension from HEPP and become employed with a Participating Employer, you are not eligible to contribute to the Plan unless you suspend your pension payment during your period of re-employment.

If you are already receiving a monthly pension from another pension plan and become employed with a Participating Employer, you have the option to join HEPP at any time during your first two years of employment; however, you must join after two years of continuous employment.

Reinstatement of Membership

If you terminate your employment and leave your **entire** pension benefit in the Plan, including any excess amount, you can reinstate your membership if you return to work for a Participating Employer within three years of your date of termination and join HEPP on the first day of employment. If you reinstate your membership, your previous period of employment service is combined with current employment service.

If you return to work after three years from your date of termination, you cannot combine your previous employment service with your current employment service. You will be treated as a new member for your current employment.

Contributing to the Plan

Pension contributions are deducted from your pensionable earnings and are matched by your employer.

The pension contribution rates are determined by the Plan's Signatory Boards and Unions. Employer and member contributions are pooled, and the money is invested to provide pension benefits to all members and their beneficiaries. For current contribution rates, visit our website at hebmanitoba.ca.

The maximum amount that you and your employer may contribute to the Plan is set by the Canada Revenue Agency (CRA) each year and cannot be exceeded.

You can contribute to the Plan until November 30 in the year you turn age 71.



Employment Service

Employment service is the uninterrupted period of employment from your first date of paid employment with one or more Participating Employers. Your first date of paid employment may differ from your date of hire. Your termination date may also differ from your last day of paid employment and can affect your Rule of 80 date (when your age plus employment service totals 80).

Your employment service is used to determine your eligibility for pension and includes eligible periods of paid and unpaid leaves of absence, paid sick leaves and when in receipt of benefits from a specified long-term disability plan, and service transferred in from another registered pension plan (RPP). The missed period of pensionable service taken during unpaid leave/layoffs cannot exceed 54 weeks in duration (or 52 weeks prior to May 31, 2010) for it to be considered Employment Service.

If you have not worked for 24 months and no contributions were remitted to the Plan, your Plan membership will be terminated in accordance with *The Pension Benefits Act* of Manitoba. Pension Plan termination options will be sent to you. Employment service will not be granted for any unpaid periods of employment before your termination date.

Credited Service

Credited service is the total of the years and/or partial years you contributed to or purchased service in the Plan. Credited service also includes service accrued while in receipt of disability benefits from a specified long-term disability plan.

In any given year, the maximum total credited service you can earn is one year. The more credited service you accumulate, the higher your pension benefit will be.

Pension Accrual While Receiving Disability Benefits

If you are receiving disability benefits from a specified long-term disability plan, your pension will continue to accrue (build) as if you were still at work. This is provided at no cost to you or your employer while you are receiving D&R Benefits.

Annualized HEPP Pensionable Earnings

Annualized earnings are your pensionable earnings for a calendar year, divided by the credited service earned in that year. Pensionable earnings include your regular earnings, vacation pay, paid leaves such as paid sick leaves, and pre-retirement leave taken as salary continuance.

Non-pensionable earnings such as shift premiums, overtime, lump sum payments and some allowances are excluded from HEPP pensionable earnings.

Vesting

Vesting means that you are entitled to the full value of your accrued pension. A contributing member is immediately vested for all pension benefits earned after July 1, 1976. Therefore, upon termination, retirement or death, you or your beneficiary will be eligible for a pension benefit if you have contributed to the Plan.

Purchasing Missed Service

You may purchase periods of eligible, missed service that have not previously been included as credited service. Purchasing eligible periods of missed credited service increases the amount of your pension benefits.

Unpaid Leave of Absence

If you are approved by your employer for an unpaid leave that is less than 24 months in length, you have the option to purchase this period of pensionable service, up to a maximum of 54 weeks (or 52 weeks prior to May 31, 2010).

Sick Leave of Absence

If you are on an unpaid sick leave that is less than 24 months in length, you have the option to purchase this period of pensionable service, up to a maximum of 54 weeks (or 52 weeks prior to May 31, 2010).

Unless you are receiving Workers Compensation Board (WCB) benefits, you must pay both your share and your employer's share of the pension contributions missed during the unpaid sick leave. If you are receiving WCB benefits and wish to maintain your credited service, your employer will be invoiced for their share of contributions.

Eligible periods of service may be purchased using cash or money transferred from an RRSP. All service purchases are subject to Plan provisions and CRA regulations.

Purchasing service may affect the amount you can contribute to RRSPs. For more information on tax implications, please contact a tax advisor or the CRA.

Portability Options

The Plan provides you with flexibility to transfer pensionable benefits from another registered pension plan (RPP) into or out of HEPP.

The two most common types of transfers between RPPs are reciprocal transfers and commuted value transfers.

When considering transferring pension funds, basic eligibility requirements must be met.

Transferring funds between pension plans might affect the amount you can contribute to RRSPs. For more information on tax implications, please contact a tax advisor or the CRA.

Once you transfer your pension benefit credits from another pension plan into HEPP, this service is deemed to be credited as if you had been a member of HEPP during this timeframe. This means any benefits payable on the total of your service will be based on the provisions of the HEPP Plan Text regardless of where the service was rendered.

Service transferred into the Plan after January 1, 2020, may affect your Rule of 80 date but will not change the benefits to which you are entitled.

Reciprocal Transfers

If you were a member of an RPP with your former employer, you may be eligible to transfer your pension benefit to the HEB Manitoba Pension Plan. HEB Manitoba has reciprocal transfer agreements with several RPP administrators.

Under a reciprocal transfer, the value available for transfer is generally based on an actuarially determined amount. This type of agreement provides for the transfer of credited service and employment service between the plans. The funds available for transfer from the exporting plan may be less than the amount required to purchase equivalent credited service in the importing plan; however, you would have the option to purchase the shortfall of credited service.

You must start contributing to the HEB Manitoba Pension Plan immediately to be eligible to transfer in a pension benefit from another RPP.

There are time limits within which a reciprocal transfer must be applied for. If you are considering a reciprocal transfer, please contact us as soon as you become employed with a Participating Employer or as soon as you are employed with an employer that participates in a reciprocal agreement with HEB Manitoba.

Commuted Value Transfers

A commuted value transfer allows for the transfer of the lump sum equivalent of a pension benefit from one RPP to another but unlike a reciprocal transfer, a commuted value transfer is not necessarily based on credited service or employment service from the former pension plan.

If you are eligible for a termination benefit, HEPP allows for the commuted value transfer out of the Plan to your new employer, provided the new employer is willing to accept the transfer of funds and there is no reciprocal transfer agreement in place.

Similarly, we will accept funds from a former employer's pension plan provided the funds are coming from that plan or the locked-in vehicle that the money was transferred to. Members cannot directly transfer the money to HEPP from non-locked in plans.

If you have met a retirement provision at the time of termination, you are not eligible to transfer out the commuted value of your pension benefit. Please refer to the *Eligibility* section under *Retirement* in this brochure for more information on retirement provisions.

Termination

When your employer notifies us that you have terminated employment before meeting a retirement provision (and you are no longer employed or have not begun employment within 31 days with any Participating Employers), your options may include:

- Leaving your pension benefit in the Plan and applying for a deferred pension later, but no later than the first of the month following your 65th birthday.
- Transferring the value of your pension benefit to a Locked-in Retirement Account (LIRA).
- Transferring your pension benefit to an RRSP or receiving a taxable lump sum payment.
- Transferring your pension benefit to another RPP if the receiving plan allows it.

After 180 days you may no longer have the option to transfer your lump sum pension benefit out of the Plan.

Leave of Absence Longer than 24 Months

If you are on an unpaid leave or sick leave in excess of 24 months, with no contributions remitted to the Plan, your membership in the Plan will be terminated in accordance with Manitoba's *Pension Benefits Act*. Pension Plan termination options will be sent to you. Employment service will not be granted for the period of the leave.



▲ If you take any part of your pension benefit out of the Plan, you will not be eligible to reinstate later if your date of reemployment is on or after January 1, 2020.

Tax Withholding Rates

Income tax is deducted from your pension benefit if Manitoba's *Pension Benefits Act* allows for the benefit to be taken as a cash payment. In most cases, the tax withholding rates for lump sum payments for Canadian residents are:

- 10% on amounts up to and including \$5,000
- 20% on amounts over \$5,000 up to and including \$15,000
- 30% on amounts over \$15,000.

Withholding tax is the minimum amount of tax required by CRA. You may owe additional taxes when you file the following year.

Shortened Life Expectancy

The shortened life expectancy provision provides terminally ill members with access to their pension funds before their death. The member must be suffering from a terminal illness and have a life expectancy that does not exceed two years. Please contact us for more information.

Retirement

Eligibility

Once you have met one of the provisions below, you are eligible to receive a lifetime monthly pension benefit from the Plan, unless your benefit is considered a Small Benefit Pension under *The Pension Benefits Act of Manitoba*.

You may be eligible for a pension as early as age 55 or when your age plus years of employment service equal 80 (Rule of 80). Different rules will apply to you depending on your age, years of service, and when you started employment.

At age 60, your pension is unreduced regardless of whether you have reached Rule of 80.

If you are a casual employee, we suggest you contact us as the rules may differ for your situation.

Small Benefit Pension

If your annual pension is less than 4% of the Year's Maximum Pensionable Earnings (YMPE) or if your pension has a commuted value of less than 20% of the YMPE, it is considered a small benefit, and you will receive your pension benefit as a taxable lump sum payment.

Retirement Provisions

If You Began Employment Before January 1, 2020

If you reached Rule of 80 before January 1, 2020, you are eligible to retire with an unreduced pension at any time after your Rule of 80 date.

If you did not reach Rule of 80 before January 1, 2020, you are eligible to retire when you:

- Reach Rule of 80; an actuarial reduction will apply if you are under age 55 when you retire
- Are age 55; reductions may apply
- Are age 60; no reductions will apply.

If You Began Employment After December 31, 2019

If you began employment after December 31, 2019, you are eligible to retire when you:

- Are age 55; reductions may apply
- Reach Rule of 80 and are at least age 55; no reductions will apply
- Are age 60; no reductions will apply.

Early Retirement Reduction

An early retirement reduction will be applied to your pension if, when you retire:

- You are under age 60 and
- You have not reached Rule of 80.

The closer you are to age 60, the smaller the early retirement reduction will be.

Actuarially Reduced Pension

If you began employment before January 1, 2020 and did not meet Rule of 80 by December 31, 2019, you are eligible to retire at any age when you reach Rule of 80; however, your pension will be actuarially reduced if you retire with Rule of 80 before age 55.

The closer you are to age 55 when you retire, the smaller the actuarial reduction will be.

Normal Retirement Age

The normal retirement age under the Plan is 65. You will have more options available to you if you continue to work until the normal retirement age.

On the first of the month following your 65th birthday, you will have a one-time opportunity to:

1. Stop contributing to the Pension Plan and start receiving your pension while you keep working. You will start to receive monthly pension payments effective the first of the month following your 65th birthday. OR
2. Stop contributing to the Pension Plan, keep working, and wait to collect your pension. If you want to start receiving your pension before age 71, you will be required to end employment with all participating employers and submit a Pension Application. You will not have to end employment if you wait to receive your pension when it becomes mandatory on December 1 of the year in which you turn 71. OR
3. Continue to contribute to the Pension Plan and work as you do today. When you are ready to collect your pension, you must stop working for all participating employers. OR
4. Stop working for all participating employers and start receiving your pension.

You must begin receiving your pension benefit no later than December 1 of the year you turn 71.

Applying for Your Pension

We recommend that you start preparing for your retirement one to five years in advance. You can find helpful pre-retirement tips and suggestions in the *Guide to Applying for Your Pension* on our website.

Please go to the member portal to request a personalized pension application package four to six months before your last day on payroll.

▲ Regardless of the guarantee period you choose, your pension is paid for your lifetime.



Pension Benefits: Options at Retirement

When you retire, you must select a form of pension (Single Life or Joint and Survivor) and a guarantee period of five, ten, or 15 years.

Regardless of the guarantee period you choose, your pension is paid for your lifetime – and the lifetime of your spouse or common-law partner if you choose a Joint and Survivor option.

All the options on your Pension Estimate have an equal value, but the monthly payment amount for each option differs because it is actuarially adjusted to reflect the cost of variables such as a longer guarantee period or a different percentage of survivor benefit.

The base form of pension under the Plan is the Single Life monthly pension with a five-year guarantee period.

Some benefits are payable to the member only and will stop when the member dies.

It is important that you choose the options that are most appropriate for your personal circumstances.

How the Guarantee Period Works

If you die before the end of the five, ten, or 15-year guarantee period you have chosen, your beneficiary will receive 100% of your remaining guaranteed pension payments.

Single Life Form of Pension

If you are single when you retire, you may only choose a Single Life form of pension.

If you are married or in a common-law relationship, you may only choose a Single Life form of pension if your spouse or common-law partner gives up their entitlement to the pension benefit.

The Single Life option provides a monthly pension for your lifetime. If you die before the end of the guarantee period, your beneficiary receives the value of your remaining guaranteed pension payments as a lump sum payment.

If you outlive the guarantee period, your beneficiary does not receive any pension benefit on your death.

Single Life Example

You start your pension at age 55 and select the Single Life option with a 10-year guarantee.

You die at age 59 (four years into the guarantee period).

Your beneficiary would receive a lump sum payment equal to the commuted value of the remaining six years of guaranteed monthly pension payments.

Joint and Survivor Forms of Pension

If you have a spouse/common-law partner at retirement, legislation requires that you select a Joint and Survivor form of pension unless your spouse/common-law partner gives up their entitlement to the pension benefit. You may choose an option that provides your surviving spouse or common-law partner with either 66⅔% or 100% of your monthly pension after your death.

66⅔% Joint and Survivor

The 66⅔% Joint and Survivor option provides a monthly pension for your lifetime and for the lifetime of your spouse or common-law partner.

If you die before the guarantee period ends, your surviving spouse or common-law partner will receive 100% of your monthly pension to the end of the guarantee period. After the guarantee period ends, their monthly amount will reduce to 66⅔% of your monthly pension, and they will receive this amount for their lifetime.

If you die after the guarantee period ends, your surviving spouse or common-law partner's monthly pension will immediately reduce to 66⅔% of your monthly pension, and they will receive that amount for their lifetime.

100% Joint and Survivor

The 100% Joint and Survivor option provides a monthly pension for your lifetime and for the lifetime of your surviving spouse or common-law partner.



After your death, your spouse or common-law partner will continue to receive **100% of your monthly pension** benefit for their lifetime, regardless of whether you outlive the guarantee period.

For all Joint and Survivor Options

If both you and your spouse or common-law partner die before the guarantee period ends, the estate of the last survivor will receive the lump sum value of the remaining guaranteed monthly pension payments.

If you and your spouse or common-law partner die after the guarantee period ends, all pension payments stop upon the death of the last survivor.

Joint and Survivor Example

You start your pension at age 60, select the 66⅔% Joint and Survivor option with a five-year guarantee, then die at age 62.

Your spouse/common-law partner would receive **100% of your monthly pension** for the three years remaining in the guarantee period.

Then their monthly payment would reduce to **66⅔% of your monthly pension, and they will receive this amount for their lifetime.**



Integration with OAS

If you retire before age 65 and are eligible, you **may** have the option to take an advance on your HEB Manitoba pension that is paid until age 65. This advance provides you with a way to level your retirement income between the Pension Plan and Old Age Security (OAS). (OAS is a federal government benefit you may be entitled to at age 65.)

If you are eligible for this option, it will be included in your Pension Application package.

How it works:

- The Pension Plan estimates the amount of OAS you may be entitled to at age 65. (The actual amount of OAS you actually receive *may* be higher or lower than this estimate and is determined by the federal government.)
- This estimated OAS amount is added to your monthly pension payment until you turn 65.
- When you turn 65:
 - Payment of the estimated OAS amount stops. (Payment stops regardless of whether you are entitled to OAS), AND
 - Your HEB Manitoba pension amount is reduced to recover the OAS advance. **This reduction applies for your lifetime and to any survivor benefit applicable.**
 - You must apply for the OAS benefit directly from the federal government.

The Integration with OAS option is not affiliated with the OAS program, and does not affect any OAS benefit that you may be entitled to receive from the federal government. For more information contact Service Canada at 1-800-277-9914.

If you have a spouse/common-law partner at retirement, legislation requires that they consent to Integration with OAS.

You should carefully consider your personal situation when deciding whether to select this option.

Example of

Integration with OAS

Here's an example to show the difference Integration with OAS might make for a member who retires at age 57 with a \$1,000 monthly pension.

	Integration with OAS	No Integration with OAS
From Age 57 to Age 65		
HEPP monthly pension before age 65	\$1,000	\$1,000
Advance from HEPP Pension to age 65	\$330	
Total amount from HEB Manitoba to age 65*	\$1,330	\$1,000
Age 65+		
HEPP monthly pension at age 65+	\$1,000	\$1,000
Lifetime reduction (to repay the advance)	-\$288	
Total amount from HEB Manitoba age 65+	\$712	\$1,000
Federal OAS at Age 65**	\$618	\$618
Estimated Total Monthly Income age 65+	\$1,330	\$1,618

Numbers in this example are for illustration purposes only and are subject to change. Use the pension estimator to see how OAS integration might affect your own pension. This option does not benefit everyone. We suggest you consult with a financial advisor.

* Some members may also receive supplementary and bridge benefits not reflected here.

** For April to June 2021 – Updated quarterly by the federal government. See Service Canada for more information. OAS eligibility is determined by the federal government. You may not be eligible for OAS, or your OAS amount may be less than the amount shown in the example.

Calculating Your Monthly Pension

HEPP is a defined benefit pension plan. Unlike a Registered Retirement Savings Plan (RRSP) or a defined contribution pension plan, a defined benefit pension plan uses a formula, rather than investment income derived from pension contributions, to determine benefits payable to eligible members at retirement.

The amount of your monthly lifetime pension benefit is based on the following formula:

- 1.5% of your highest average earnings up to the Canada Pension Plan's YMPE (Year's Maximum Pensionable Earnings)
- Plus 2.0% of your highest average earnings over the YMPE
- Multiplied by your years of credited service
- Divided by 12.

The *Income Tax Act* outlines the maximum annual pension amount that an RPP may provide to its members.

Supplementary and Bridge Benefits

If you began employment before January 1, 2020, you may be eligible for a supplementary or bridge benefit when you retire.

Supplementary Benefit

A temporary supplementary benefit is added to your monthly pension if you:

- Meet Rule of 80, or
- Have reached age 55.

The supplementary benefit is paid from the effective date of the pension to the first of the month following your 65th birthday.

The supplementary benefit is only payable to the member. It stops when the member turns 65 or on their death – whichever is earlier.

You are not eligible for the supplementary benefit if you began employment after December 31, 2019.

The amount of the supplementary benefit up to the month you turn 60 is 0.5% of the average of the highest five YMPE amounts out of the last 11 years multiplied by your credited service. A reduction of $\frac{1}{8}$ of 1% (0.125%) is applied for each month that your termination date precedes the earlier of your 60th birthday or Rule of 80 date.

From age 60 to age 65, the benefit is half of the original amount (0.25% of the average of the highest five YMPE amounts over the last 11 years).

Bridge Benefit

Some members may be entitled to a bridge benefit to offset the early retirement reduction.

The bridge benefit is payable monthly to age 65. If you die before age 65, the remaining payments are paid to your beneficiary.

You are not eligible for a bridge benefit if:

- You retire with an actuarially reduced pension
- You began employment after December 31, 2019.

The bridge benefit is the difference between the $\frac{1}{4}$ of 1% (0.25%) early retirement reduction and $\frac{1}{8}$ of 1% (0.125%) of the monthly pension amount for each month the basic pension benefit is received before the earlier of age 60 or the Rule of 80 date.

Receiving Your Monthly Pension Payment

Your pension is effective the first of the month following your last day of employment with your Participating Employers. For example, if your last day on payroll is April 20, your pension will be effective on May 1 (provided all required documents are received and accurately completed before the deadline dates provided in the pension application package).

Generally, once you have retired, it takes at least four to six weeks for HEB Manitoba to obtain all the necessary information from your facility and process your pension application. This is why we encourage you to prepare financially for the period before you receive your first pension benefit payment.

Your monthly pension is deposited directly into your bank account. The only mandatory deduction is income tax. If you choose any of the post-retirement benefit coverage that you are eligible for, the benefit premiums will also be deducted from your monthly pension benefit.

Cost of Living Adjustments from the Pension Plan

The HEPP Plan Text provides for the payment of ad hoc COLA increases from the Pension Plan Fund when there are enough additional funds available. The last time HEPP paid a COLA benefit was in 2002.

The Cost of Living Adjustment (COLA) Plan

The HEPP COLA Plan (COLA Plan) was established in 2010 to help provide more regular COLA benefit payments. The COLA Plan is separate from HEPP and is funded by equal contributions from employers and employees.

Retired members do not contribute to the COLA Plan.

The COLA Plan comprises:

- An Active Members Fund, for HEPP members who retired, or will retire, **on or after October 1, 2009**, and
- A Past Retirees Fund, for HEPP members who retired **on or before September 30, 2009**.

Payments into the COLA Plan began in 2014 and COLA payments to retired members began in 2018.

COLA Plan Contributions

The COLA Plan contribution rate for both active members and employers is 1.0% of pensionable earnings. 90% of HEPP COLA Plan contributions go to the Active Members Fund and 10% of COLA Plan contributions go to the Past Retirees Fund.

You can see the total amount of your individual annual contributions to the COLA Plan on the *Annual Pension Statement* that HEB Manitoba provides for you each year.

Your individual payments are not refundable when you terminate employment, retire, or die.

COLA Plan Benefit

The COLA Plan pays a COLA benefit to retired Pension Plan members in January each year, subject to approval by the HEPP COLA Plan Board of Trustees. The COLA is not paid on beneficiary or spousal pensions.

To be eligible for COLA payment, a member's pension effective date must be **before January 1** of the previous calendar year.

Members who retire with a pension effective date in the 12 months preceding the month the COLA is issued are not eligible to receive the payment until the following year.

Example For a COLA Payment Issued January 2027

	Pension Effective Date	COLA Payment (Y/N)
Member 1	January 1, 2026, or later	No
Member 2	December 1, 2025, or earlier	Yes

The benefit will be paid as a one-time taxable lump sum, not monthly. Your regular monthly HEPP pension payments will remain the same.

The maximum COLA Plan benefit that may be payable in a given year will be two-thirds of the increase in the Canadian Consumer Price Index (CPI) from April to April.

Your COLA is always granted based on your monthly HEPP pension in payment. It does not compound based on any previous COLA amounts but is added to your previous years' COLA payments if applicable.

If the COLA Plan Funds do not have sufficient funds to grant a new COLA in any given year, your pension payments will continue as normal. Depending on the funds available, you might receive some or all of your previously granted COLAs as a prior COLA amount, even if a COLA is not granted in a given year.

COLA Plan Benefits and Relationship Breakdown

The COLA Plan is registered as a supplemental plan under the *Income Tax Act* but is not registered with the Pension Commission of Manitoba. This means it is not subject to the same rules as HEPP when it comes to such things as division of your pension if your marriage or common-law relationship breaks down.

If your relationship breaks down before you retire: A COLA granted from this fund is not transferrable to a spouse/common-law partner or beneficiary when you die.

If your relationship breaks down after you retire: Your former spouse/common-law partner is not automatically entitled to any part of your COLA because the COLA Plan is not subject to the same rules as HEPP. However, their actual entitlement will depend on the agreement you negotiate with them.

Disability Retirement

You may be eligible for a disability pension if you:

- Are totally and permanently disabled as defined in the HEPP Plan Text, and
- Are not in receipt of benefits from a specified long-term disability plan or are not currently requesting that a private disability plan be recognized for the Plan's disability benefits provisions, and
- Terminate HEPP membership before age 65.

If eligible, you may choose from the various forms of pension offered under the Plan. Contact us if this applies to you.



Life Events

Marriage or Entering a Common-law Relationship

Before Retirement

When you get married, your spouse becomes your Pension Plan beneficiary by default. This means they are automatically entitled to the death benefit if you die before retirement.

When you enter a common-law relationship, your partner automatically becomes your Pension Plan beneficiary when they meet the definition of common-law partner set out in Manitoba's *Pension Benefits Act*.

Under Manitoba's *Pension Benefits Act*, your spouse is the person who is married to you (the Plan member or former Plan member).

Your common-law partner is:

- A person who is in a registered common-law relationship with you under section 13.1 of *The Vital Statistics Act*, or
- A person who is not married to you but has lived with you in a conjugal relationship for a period of:
 - At least three years, if either of you is married, or
 - At least one year, if neither of you is married.

It is important that you report your marriage or new common-law relationship to us to ensure your beneficiary is up to date.

If your spouse or common-law partner wishes to give up their entitlement to allow you to name someone else as a beneficiary, they must submit a *Waiver of Survivor or Death Benefit* to HEB Manitoba. Contact us for more information.

After Retirement

Your new spouse or common-law partner is not automatically entitled to your pension.

Under some circumstances, you may be able to name your new spouse or common-law partner as a beneficiary.



Breakdown of Marriage or Common-Law Relationship

General

Depending on your date of separation, provincial legislation requires the division of a pension or a pension benefit credit between separated spouses or common-law partners when family assets are to be divided under an agreement between both parties or court order made under *The Family Property Act* or when a court of another Canadian jurisdiction requires a pension or pension benefit credit to be divided.

Before Retirement

If you experience a marriage/common-law relationship breakdown before retirement, it is important to inform us as soon as possible to prevent delays in processing your pension benefits at events such as termination or retirement.

After Retirement

If you chose a Joint and Survivor form of pension and you experience a marriage/common-law relationship breakdown after retirement, your former spouse/common-law partner is entitled to a portion of the monthly pension benefit based on the period of marriage/cohabitation.

Find more information about relationship breakdown and your pension on our website at hebmanitoba.ca.

Death of a Member

Before Retirement

Single at Death

If you are single, or your spouse or common-law partner has given up their entitlement to the death benefit, your designated beneficiaries will receive the death benefit. If you do not have a designated beneficiary, the death benefit will be paid to your estate. In either case, the death benefit is payable as a lump sum payment of the commuted value of your pension benefit, less income tax. Excess contributions, if applicable, will be paid to your beneficiary or to your estate as a lump sum cash refund, less income tax.

Married or in a Common-law Relationship at Death

If you are married or in a common-law relationship, a death benefit is payable to your surviving spouse/common-law partner if you were living together at the time of your death and they had not given up their entitlement to the death benefit.

Your spouse/common-law partner may transfer the death benefit amount to a LIRA or to a Life Income Fund (LIF). Alternately, they may select an immediate or deferred pension that is actuarially determined.

If the annual pension is below 4% of the YMPE or the pension has a commuted value of less than 20% of the YMPE, it is considered a small benefit and your spouse/common-law partner may:

- Transfer the death benefit to an RRSP, or
- Receive the death benefit as a lump sum payment, less income tax.

After Retirement

When you die after retirement, the benefit payable upon your death depends on the form of pension and guarantee period you selected at retirement.

Single Life Options

If you selected a Single Life option and the guarantee period has not expired, your beneficiary will receive the lump sum value of the remaining guaranteed monthly pension payments.

If the guarantee period has expired, no further pension benefit is payable.

Joint and Survivor Options

If you selected a Joint and Survivor pension option, and the spouse/common-law partner you named at retirement is still alive, your pension will continue to be paid to them for their lifetime. The amount they receive each month may be less than what you received during your lifetime, depending on the form of pension you chose at retirement and the termination of other Plan benefits that were payable only to you.

If both you and your spouse/common-law partner die after your retirement and before the end of the guarantee period, the estate of the last survivor receives the lump sum value of the remaining guaranteed monthly payments.

See the *Pension Benefits: Options at Retirement* section of this brochure for more information.

Garnishment of Pension Benefits

Generally, pension benefits are not assignable and may not be garnished except under certain circumstances. At present, pension benefits and/or credits may only be garnished by order from the CRA or by a Designated Officer of the Maintenance Enforcement Program.

Glossary of Terms

Many of the pension terms used throughout this brochure are explained below:

Common-Law Partner

Under Manitoba's *Pension Benefits Act*, a common-law partner of a member of a pension plan or former member of a pension plan means:

- A person who is in a registered common-law relationship with the Plan member or former Plan member under section 13.1 of *The Vital Statistics Act*, or
- A person who is not married to the Plan member, or former member, but has lived with the Plan member, or former member in a conjugal relationship for a period of:
 - At least three years, if either of them is married, or
 - At least one year, if neither of them is married.

Common-Law Relationship

The relationship between two people who are common-law partners.

Commutated Value

The present-day dollar value of your lifetime monthly pension converted into a lump sum amount. This benefit is locked-in to eventually be used for retirement purposes, unless your pension benefit is considered a small benefit under Manitoba's *Pension Benefits Act*.

Deferred Pension

A member who terminates Plan membership for a reason other than retirement or death, is entitled to a deferred monthly pension equal to the amount determined in accordance with the HEPP Plan Text.

Early Retirement

The Plan allows members to retire before age 65 (the Plan's normal retirement date) when they meet a retirement provision.

Employee

Any person who is employed by a Participating Employer.

Employer

A signatory employer or a Participating Employer.

Excess Contributions

Excess contributions are contributions made in excess of 50% of the commuted value of your pension benefit. You are entitled to a refund of any excess contributions, plus interest.

Excess contributions may be transferred to an RRSP or received as a lump sum cash refund. Excess contributions can also be used to increase your pension at retirement.

Highest Average Earnings

The average of your highest five years of annualized HEPP pensionable earnings from the last 11 years immediately before termination, retirement or death. If you have not completed five years of service, the actual years of annualized HEPP pensionable earnings available will be used to determine the average earnings.

Locked-In Pension Benefits

Pension benefits that cannot be withdrawn as a lump sum payment. Only under the following circumstances may you withdraw locked-in funds:

- If the pension benefit is considered a small benefit and you have terminated from the Pension Plan, it will be paid as a lump sum amount
- If you have a shortened life expectancy of less than two years.

Participating Employer

A healthcare facility or related organization that has signed a Participation Agreement and participates in the HEB Manitoba Pension Plan.

Pension Benefit

The value, at a particular time, of the pension benefits and any other benefits provided under the Plan for which a member has become entitled.

Rule of 80

When your age plus employment service totals 80. If you began employment before January 1, 2020, you are eligible to retire when you reach Rule of 80. You may be eligible for a reduced or an unreduced pension at that time, depending on your age. **See the Eligibility section under Retirement in this brochure for more information.**

Signatory Employers and Unions, or Signatory Boards

The original employers and union groups that merged to create the Plan; the parties to the Trust Agreement.

Small Benefit

Under Manitoba's *Pension Benefits Act*, your pension benefit is considered a small benefit if:

- The annual pension that would be payable at retirement is less than 4% of the YMPE, or
- The pension has a commuted value of less than 20% of the YMPE.

The YMPE amount for the year in which your termination, retirement or death occurs is used in the calculation.

A small benefit can be transferred to an RRSP or paid as a taxable lump sum payment. It is not paid as a monthly pension.

Spouse

Under Manitoba's *Pension Benefits Act*, the person who is married to the Plan member or former member.

Total and Permanent Disability (Under the HEPP Plan Text)

A physical or mental impairment that prevents a member from performing the duties of employment in which they were engaged before the impairment. The impairment must be certified in writing by a qualified medical doctor who is licensed to practice in Canada or where the member resides.

Year's Maximum Pensionable Earnings (YMPE)

The maximum annual earnings on which CPP contributions and benefits are calculated. The YMPE is set annually by the CRA to reflect the average industrial wage in Canada. It is also used to determine the amount you contribute to HEPP.

More Information

You can get more information in the following ways:

hebmanitoba.ca

Visit **hebmanitoba.ca** for information about your benefits and to access the member portal.

Member Portal

Log in to the member portal at hebmanitoba.ca. You can use the tools on the member portal to:

- See coverage and premium details for your HEB Manitoba benefits
- Update your personal information
- Report life events to keep your coverage up to date
- View your Annual Statements and other HEB Manitoba documents
- Communicate with us on a secure platform
- Estimate your future pension amount
- And more...

Email

info@hebmanitoba.ca

Please do not include personal information in your email.

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204-943-3862

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Accessibility

This publication is available in alternate formats on request. To request an alternate format, please email us at accessibility@hebmanitoba.ca.

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HEB Manitoba Privacy & Policy Office

Phone: 204-975-3197

Toll-free: 1-855-975-3197

Email: privacy@hebmanitoba.ca

You can read our Privacy Notice on our website at **hebmanitoba.ca**.

