



# Transfer Agreements Between Pension Plans for Government of Alberta employees

The following are common Questions and Answers related to transfer agreements for the Public Service Pension Plan (PSPP) and the Management Employees Pension Plan (MEPP).

## What are transfer agreements?

A transfer agreement is an agreement between two or more registered pension plans that allows eligible members to transfer all or a part of their pensionable service from one plan to another.

## How do they work?

If you leave one pension plan to join another, a transfer agreement allows you to transfer service from the old pension plan into your new plan. A transfer to your new plan will increase your pensionable service under that pension plan. You could become vested sooner, and you may be able to retire earlier with an unreduced pension.

## How do I start the process to transfer my service?

You will need to submit an application to transfer within one year of commencing or re-commencing in PSPP or MEPP (your new pension plan). Further information on this process, including the application form, is available on the PSPP and MEPP plan websites ([www.mepp.ca](http://www.mepp.ca) and [www.pspp.ca](http://www.pspp.ca)).

## How do I know if I am eligible for a transfer?

You cannot be an active member in your former plan, but your funds must still be held in that plan. You must be an active member of PSPP or MEPP when you apply to transfer your former plan service into PSPP or MEPP. Some plans will not allow you to transfer out if you are already entitled to an unreduced pension with them; check with your former employer or former plan's administrator to see if this limitation applies to you.

## Which pension plans have transfer agreements with PSPP and MEPP?

Transfer agreements are in place with:

- Alberta Teachers Retirement Fund (ATRF)
- Government of Canada Public Service Pension Plan (Federal plan)
- Plans that participate in the National Public Service Pension Transfer Agreement
  - Under the National Public Service Pension Transfer Agreement, you must also wait 20 working days from the date you join your new plan to apply.

*Please refer to the PSPP or MEPP website to get the most up-to-date list of participating plans.*

## Will I get credit for all of my service from my old pension plan under PSPP or MEPP if I apply for a transfer? If no, why not?

Not all pension plans calculate cost and benefits the same way. The amount of service you will be credited with will depend on the cost to establish that service under the new plan and the value of your pension entitlements under your old plan. If the amount available from the old pension plan does not cover the cost of crediting all the service in the new pension plan, this will result in a transfer shortfall.

If the amount available from your old plan is greater than the cost of crediting all the service in your new plan, this could result in a transfer excess.

## How do I find out if there is a shortfall or excess?

Once your transfer application has been received and processed, a transfer package will be sent to you. The information provided in your transfer package will include whether there is a shortfall or transfer excess anticipated, as well as the options available to make up the shortfall, if you choose. Your eligibility to receive payment of transfer excess, if applicable, will be determined by the rules of your old plan. If it appears you have a transfer excess, contact your old plan for more information.

## How do I know if paying for the shortfall is worthwhile?

After you receive your transfer package, you can go online to your new pension plan's website to use the pension estimator to calculate how much your pension would be with purchasing the shortfall and how much it would be without purchasing the shortfall. This tool can help you decide if the permanent increase to your pension covers the cost of paying for the shortfall.

If you choose not to buy the transfer shortfall service at the time of the transfer but wish to do so later on, the cost could be higher.

## I have service in my old pension plan from when I worked in another province. Can I transfer that service?

As long as there is a transfer agreement in place between your old pension plan and your new pension plan, and all the other requirements of that agreement are met, you may be eligible to transfer your service.

Complete the application form and submit to both plans. Visit your new plan's website for more information on how to apply to transfer and to obtain a copy of the application form.

## I am currently a MEPP participant. Can I transfer service that was in a non-management plan into MEPP?

If your old pension plan is a participant of one of the transfer agreements that MEPP participates in, and you meet the agreement's requirements, you can transfer service from a non-management plan into MEPP.

## Can I transfer my service between PSPP and MEPP?

If you move from PSPP and MEPP without changing employers and with no break in service, please refer to the question on Combined Pensionable Service (CPS). If you have a CPS relationship between PSPP and MEPP, you cannot transfer between PSPP and MEPP.

If you have not established a CPS relationship between PSPP and MEPP, you may be eligible to transfer your service from one plan to the other.

## How is a transfer agreement different than CPS?

With a transfer under a transfer agreement, the value of your pension is moved to your new plan and those funds are applied to the cost of service. When you agree to transfer, you give up all rights and entitlements under your old pension plan.

With CPS, funds are not transferred from one plan to the other. Instead, service from both PSPP and MEPP is considered to determine vesting and the earliest date you are eligible for retirement (with an unreduced pension). Your highest average salary will be used to calculate both pensions even though the salary was only earned while you contributed to one of those plans.

For further information on CPS, please see the Combined Pensionable Service section on the PSPP and MEPP websites.

## Who do I call to get more information on my situation?

You should contact the Member Services Centre for more information on your transfer opportunities:

MEPP Members can call **1-877-889-MEPP (6377)**

PSPP Members can call **1-877-453-1PSP (1777)**