



**NATIONAL  
POLICE  
FEDERATION**



**FEDERATION  
DE LA POLICE  
NATIONALE**

## RCMP Pension Benefits

January 2021

# Overview

1. Pension Plan Contributions
2. Types of Pensionable Service
3. Leave Without Pay
4. Benefit Calculation & Options
5. Indexing
6. Survivor Benefits
7. Group Insurance Benefits

# RCMP Pension Plan Contributions **2020**

Your Salary	Rates
Up to Yearly maximum pensionable earnings (YMPE) = \$61,600	9.83% + CPP
Above YMPE	12.26 %

# *Pensionable Service vs Service in the Force (SIF)*

<b>Pensionable Service</b>	<b>Service in the Force (SIF)</b>
Current/elective service for which contributions have been/will be paid	Service as an RCMP member or purchased prior “police officer” service
Used to calculate pension entitlement	Used to determine options when SIF is less than or equal to 24 years.

# Leave Without Pay

Option to opt out after 3 months

Income Tax Act: Limits the Max Period of LWOP for pensionable service

**5 yrs cumulative plus up to 3 yrs of Child Care leave**

# *Pensionable Service vs Service in the Force (SIF)*

- **18 Yrs RCMP Service**
- **12 Yrs. Buyback of Outside Police Force Service**
- **5 Yrs. Buyback of Non Police Service**

35 Yrs. Pensionable Service

30 Yrs. Service in the Force

# Pension Benefit Calculation

2% X Pensionable Service X Highest Average Salary  
(Lifetime +Bridge) (Yrs and days) (5 Highest Consecutive Years)

2% X 35 X \$110,000 = \$77,000/year (\$6416.67/month)

2% X 25 X \$110,000 = \$55,000/year (\$4583.33/month)

# Pension Benefit Calculation

$$\begin{array}{ccccc} 2\% & \times & \text{Pensionable Service} & \times & \text{Highest Average Salary} \\ \left( \begin{array}{c} \text{Lifetime + Bridge} \end{array} \right) & & \left( \begin{array}{c} \text{Yrs and days} \end{array} \right) & & \left( \begin{array}{c} \text{5 Highest Consecutive Years} \end{array} \right) \end{array}$$

Part time Service:

$$2\% \times 25 \times \$110,000 \times 40/40 = \$55,000$$

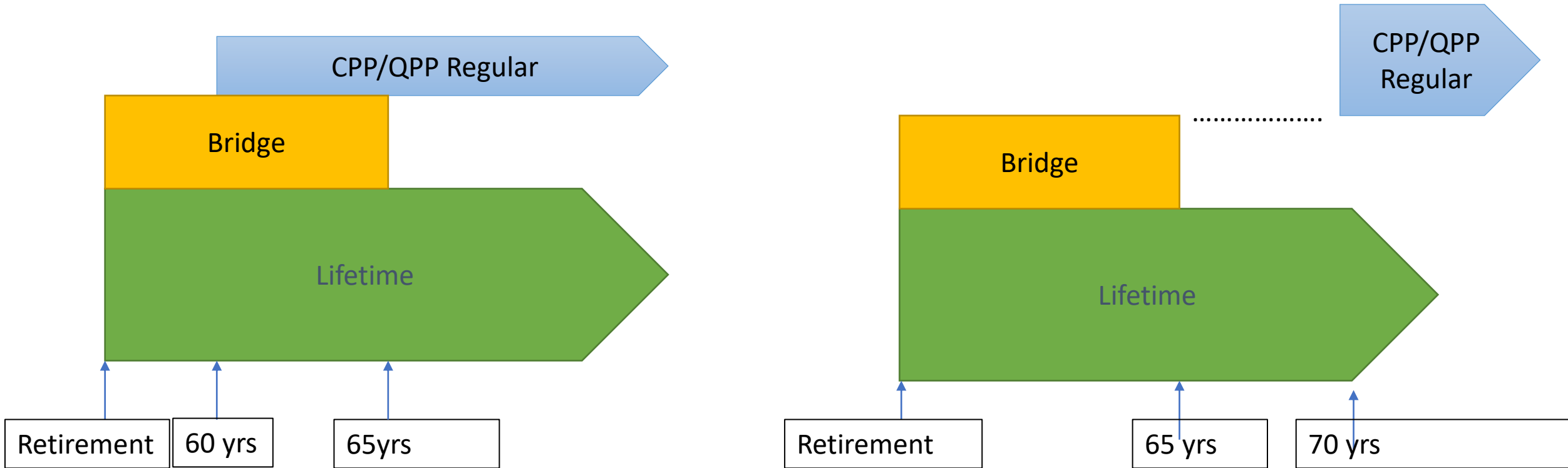
\$66,000/Year

$$2\% \times 10 \times \$110,000 * 20/40 = \$11,000$$



# Bridge Benefit: Payable until 65 or CPP/QPP disability

## Early or Deferred QPP/CPP=No impact on Bridge



# Monthly option: Reduced (Annual Allowance)

Age	Service in the Force	Discharge Reason
Younger than 60	20-24 yrs	Retirement
Lesser of : 5% * (60-Age rounded up to nearest full yr) or 5% * (25-SIF rounded up to nearest full year)		

# Options Summary

Age	Service In the Force	Option
Any	<2 Yrs	Return of Contributions
< 60 Yrs	2-19 Yrs	Transfer Value or Deferred Annuity
< 60 Yrs	20-24	Annual Allowance
< 60 Yrs	> = 25 Yrs	Immediate Annuity
> = 60 Yrs	> = 2 Yrs	Immediate Annuity

# Indexation of Pension

## Commences:

- Discharge at  $\geq 60$  yrs of age  
or
- Age + Service = 85

Eg: Discharge date is Mar 15,2020

CPI as of Jan 1 2021 is 1%

First indexation increase is prorated at  
 $9/12 * 1\% = .075\%$

# Survivor Benefits: Spouse or Common law partner

- Monthly amt for life
- 50% of member's unreduced pension
- Relationship of Spouse at termination or at age 60
- Separated Spouses: Eligible
- Separated Common Law or Divorced Spouses:  
Ineligible

# Survivor Benefits: Children

- Monthly amt payable up to 18 or 25 (FT Student)
- 10% of member's unreduced pension (40% Max)
- Doubled if no spouse

# Survivor Benefits: Minimum Benefit

- When no survivors, lump sum paid to designated beneficiary or estate
- Taxable as income

Lump Sum: Greater of (Return of Contributions+Interest Or 5 yrs unreduced pension) Less (Any Pension Amt already paid)



# Survivor Income Plan (SIP) : Service-Related Death

- Purpose to maintain member's net salary/pension
- VAC determines eligibility and Pension Centre administers
- Top up to Net Salary of member to Age 60 and then net pension. (Offsets: Survivor Pension PA, CPP/QPP Widow Pension, + RCMP survivor benefits.)

**(Sunlife: 1-888-757-7427)**

## *1. PSHCP: Medical Treatment Benefits*

Eligibility: 6 yrs of pensionable service or Medically Releasing.

Family: Spouse/CL & Children up to 21 (25 if F-T Student)

## *2. Pensioners' Dental Services Plan*

Family: Spouse/CL & Children up to 21 (25 if F-T Student)

Must keep it for 3 full calendar yrs (**Once cancelled cannot reapply**)

# Government of Canada Pension Centre

- ✓ Pension Transfer Agreements
  - ✓ Division of Pensions in case of divorce or separation
  - ✓ Disability after retirement
  - ✓ Re-employment after retirement
  - ✓ Optional Survivor Benefit (MA60)
- 
- 1-855-502-7090 (8a-4p M-F Local Time)
  - 506-533-5800 (Outside of Canada & US; 8A-5P Atlantic)
  - [www.rcmp.pension.gc.ca](http://www.rcmp.pension.gc.ca)
  - [pensioncentrercmp.centredespensionsgrc@pwgsc-tpsgc.gc.ca](mailto:pensioncentrercmp.centredespensionsgrc@pwgsc-tpsgc.gc.ca)

# Questions?

