

To: Active members, inactive members, retired members
and employers
From: College Pension Board of Trustees
Monday, April 6, 2020



Members will have a new option for buying service for a leave of absence

Effective May 1, 2020, the College Pension Plan rules have been amended to allow members to continue making contributions during an *Employment Standards Act*-approved leave of absence. This decision gives members who want to buy service the flexibility to choose the option that fits them best:

- Continue making contributions during a leave
- Buy back service after the leave

Option one: continue making contributions during your leave

Starting May 1, 2020, you can choose to continue making contributions during your leave by direct payment to BC Pension Corporation (corporation). This option is available for leaves that begin on or after May 1, 2020.

If you choose this option, the cost will be based on current contribution rates and your salary while on leave. The corporation will bill your employer separately for their portion of the cost.

You must apply to continue contributing within 30 days of starting your leave. Visit the plan website on or after May 11, 2020, for more information.

Option two: buy back service after your leave

Alternately, you can apply to buy service for your leave in one lump-sum payment after you return to work.

If you choose this option, the cost will be based on your salary and the current member and employer contribution rates at the time you make the purchase. That means if your salary or member contribution rates increase after your leave, the cost of buying service will also increase.

If your leave is less than one year, you must buy the entire leave period. If your leave is more than one year, you can do the following:

- Buy service for the entire leave
- Buy service for the leave in one-year portions

You must apply to buy service within five years of the end of your leave or within 30 days of ending your job with all plan employers, whichever comes first.

Since the cost of buying service is based on your salary and the contribution rates at the time you apply, it's generally a good idea to buy service as soon as possible, before potential future salary or contribution rate increases.

What's the advantage of buying service?

Buying service may increase your pension when you retire or allow you to retire earlier. When you buy service, you increase your pensionable and contributory service. Pensionable service is used to calculate your pension at retirement. Contributory service determines if your pension will be reduced and by how much.

You can learn more about buying service on the plan website at college.pensionsbc.ca under *Your pension > Taking time off work and buying service*.

What is an *Employment Standards Act*–approved leave?

An *Employment Standards Act*–approved leave is one that is covered under the *Employment Standards Act* (ESA). These include pregnancy, compassionate care, parental and adoption leaves. When you buy service for an ESA–approved leave, your employer also contributes.

Not all types of leave are covered by the ESA. Contact your employer for more information about which leaves are covered.

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