



Public Service Pension Plan Pre-1966 Rules

Please note: Very few current active plan members qualify for a pension benefit under these rules. This information is for employer awareness only. When a member retires, the OPB is responsible for determining if the member qualifies for a pension calculation under these rules. There is no change to the information or forms required for a regular retirement.

Before the Canada Pension Plan came into effect on January 1, 1966, the PSSA (predecessor to the PSPP) retirement benefit contained the following features:

- Pension formula was based on a member's best 36 consecutive months of salary;
- Normal retirement was age 60; and,
- Members were able to receive an immediate reduced pension as early as age 50.

However, with the introduction of the Canada Pension Plan, changes were made to the PSSA to reflect the member contributions and entitlement to a retirement pension under the CPP. In other words, the PSSA became "integrated" with the CPP and the design of the Plan changed as follows:

- Pension formula based on a member's best 60 consecutive months of salary;
- Normal retirement now age 65; and,
- Members are able to receive an immediate reduced pension as early as age 55.

Recognizing that these changes could not adversely affect members who contributed before 1966, special rules were incorporated into the PSSA. Therefore, a member who has pension credit before January 1, 1966 will usually have his/her pension calculated according to the "Pre-1966 Rules", as follows:

(a) Pension Before Age 65 for a Member with Pre-1966 Pension Credit

The member's Basic Pension is calculated based on the best 36 months of salary. CPP Integration does not come into effect until age 65. A reduced pension is payable as early as age 50. The reduction rate is based on the member's age at retirement date.

(b) Pension At Age 65 for a Member with Pre-1966 Pension Credit

At age 65, the member's pension is recalculated on the member's best 60 consecutive months of salary and then reduced for the CPP Integration.

Pre-1966 Guarantee

When the member's pension is integrated for CPP at age 65, if the PSPP pension plus his/her **estimated** CPP pension payable at age 65 is less than the pension the member would have received from the PSPP before age 65 using the best 36 consecutive months of salary, then the member's PSPP pension is supplemented by the difference.

In the above comparison, the CPP pension amount is the **estimated** CPP benefit payable to the member at age 65. It does not take into account any reduction the member would receive by choosing to start CPP pension payments as early as age 60.

If the member has service before 1966, please refer the member to the OPB Booklet, "Planning Today for Tomorrow" (OPB 8005) located on the OPB main website under the Publications tab.