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# MEPP *In-Depth*

## *Portability Transfers to MEPP*

This issue provides information about transferring your service from another pension plan to MEPP.

Transferring your service between plans is a process that has a number of steps because no two pension plans are identical.

### **Benefits of Transferring Service**

If you join MEPP and have service in a previous employer's pension plan, MEPP allows you to transfer service from your former pension plan into MEPP.

By transferring service into MEPP, you increase your eligibility and pensionable service. Increasing your eligibility service provides you with the opportunity to retire sooner.

### **Portability Agreements**

With a portability transfer, you transfer your service from one registered pension plan to another.

Under a portability transfer, the pension plan transferring your service out is the *exporting plan*. The pension plan receiving your service is the *importing plan*.

You can use the [MEPP Pension Portability Information Request](#) form to get the information you need to decide if you want to transfer service to MEPP. With this form, you can gather information on the value of the service that can be transferred from a previous plan and how much service that amount will bring into MEPP.

When you have the information you need, you can decide if you want to transfer to MEPP.

### **Transferring to MEPP**

If you are considering transferring your service, a calculation will determine the amount needed to obtain an equal amount of service in MEPP.

If the amount required to obtain all the service with MEPP is more than the amount available to transfer, you have one year to pay the difference. If you do not make the payment within one year, you cannot purchase it later.

If the amount required to obtain all the service in MEPP is less than the amount available for transfer, your previous plan will determine what can be done with the remaining amount.

## Initiating a Transfer

To initiate a portability transfer to MEPP, use the [MEPP Pension Portability Information Request](#) form to obtain the transfer information. This form must be completed as follows:

- Section 1: You complete this section and send it directly to MEPP.
- Section 2: The exporting plan completes this section confirming your service, salary, and indicating the amount available for transfer.
- Section 3: MEPP completes this section indicating the service that can be purchased with the funds from the exporting plan.

When you have completed the form, compare the termination benefit available from the exporting plan with the service it will provide in MEPP. Proceed as follows:

- examine the provisions of both plans carefully to determine both the costs and benefits to you of transferring from another plan to MEPP;
- obtain expert advice; and
- if you decide to proceed with the transfer, sign the agreement and return it to MEPP.

**Note:** The amounts provided on the [MEPP Pension Portability Information Request](#) form may be subject to change.

## Important Points to Consider

Read the documentation for both plans carefully. Investigate and compare their provisions to determine the impact that a transfer could have on you.

A transfer might increase or decrease your RRSP room. A cash refund would increase your taxable income for the year.

Before deciding to transfer, compare the provisions of both plans. Here are some provisions to consider:

- *Retirement Benefits* - When can you start receiving your pension?
- *Retirement Survivor Benefits* - What are the benefits available to a joint pensioner or beneficiary if you die after you retire?
- *Indexing* - Is the pension indexed?
- *Pre-retirement Termination Benefits* - What happens to the transferred amount if you die before you are eligible to retire?

## A Transfer May Affect Your Income Tax

A transfer of funds to MEPP under a portability agreement is not subject to income tax. On the other hand, if you receive a payment from your former plan *after* the transfer, that payment may be taxable.

## Seek Expert Advice

Before you approve a portability transfer, you must decide if the transfer is to your advantage. You may want to discuss a potential transfer with the administrators of both pension plans, as well as with your financial planner or a tax expert before deciding to make the transfer.

## If You Decide Not to Proceed

If you decide not to proceed with a transfer to MEPP, please return the [MEPP Pension Portability Information Request](#) form to MEPP indicating your decision.



The forms required for your MEPP pension application are available on the website.



**Looking for more information?** You'll find more information from these sources:

- [MEPP Member Booklet](#)
- [MEPP Matters](#) – the Plan newsletter
- [Your Path to Retirement Workshop Series](#) – a workshop for every stage of your career



**Need assistance?** Contact us using one of these convenient options:

**Email:** [mepp@plannera.ca](mailto:mepp@plannera.ca)  
**Phone:** 306-787-2684 (in Regina)  
1-877-506-6377 (toll-free)  
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