

SECTION CONTENTS

2 PURCHASING SERVICE

2.1	Non-contributory service (less than half-time service)	3
2.1.1	Eligibility to purchase non-contributory service	3
2.1.2	Deadlines to purchase non-contributory service	4
2.1.3	Cost to purchase non-contributory service	4
2.2	Leave of absence (LOA)	4
2.2.1	Employment Standard Act LOA timeframes	5
2.2.2	Remind your employees of purchase opportunities	14
2.2.3	Eligibility for purchasing ESA provided leave	14
2.2.4	General leave	15
2.2.5	Sample wording for leave letters	17
2.2.6	Deadlines to purchase leaves	18
2.2.7	Cost to purchase leaves	19
2.3	Arrears	20
2.3.1	Eligibility to purchase arrears	20
2.3.2	Deadlines to purchase arrears	22
2.3.3	Cost to purchase arrears	22
2.4	Child-rearing break	22
2.4.1	Eligibility for child-rearing time	22
2.5	Applying to purchase service	23
2.5.1	When is an application form required?	23
2.5.2	Members on leave prior to retirement or termination	24
2.5.3	Purchase cost estimates	24
2.5.4	Continuous contributions while on an ESA leave	25

2.6	The purchase of service application package	25
2.6.1	The purchase package overview	25
2.6.2	Purchase of service information for the member	26
2.6.3	Reviewing and verifying the purchase application form	26
2.6.4	Current vs. former employer	27
2.6.5	Teacher on call default service	27
2.6.6	The purchase application form	28
2.6.7	Forward the application to the Teachers' Pension Plan	32
2.6.8	Request for an updated purchase cost	32
2.7	Paying for purchases	33
2.7.1	Methods of payment	33
2.7.2	Tax implications	33
2.7.3	Severance and retiring allowance payments from the employer	34
2.8	Payment and billing	34
2.8.1	Arrears	34
2.8.2	Leave of absence	35
2.8.3	Non-contributory service	35
2.9	Pension transfer agreements	36

2 PURCHASING SERVICE

Purchasing service means paying for periods of employment that have not been counted as service with the Teachers' Pension Plan. Purchasing service may increase a plan member's benefit.

2.1 Non-contributory service (less than half-time service)

Plan members may be eligible to purchase periods of service when they worked for a plan employer but did not contribute to, or accrue service in, the Teachers' Pension Plan. If a member should have contributed to the plan but did not, there may be arrears owing—see section 2.4.

2.1.1 Eligibility to purchase non-contributory service

Plan members may purchase their less than half-time service with a plan employer if:

- they became an active member on or after April 1, 2002, and apply to purchase within five years of the date of becoming an active member, or within 30 days of termination of employment with all plan employers, whichever is earlier, and
- the member did not contribute to the plan.

Plan members may not purchase as non-contributory service:

- time during which they were not employed,
- a period of time during which they were employed with an employer other than a plan employer,
- time with the employer in a position covered by another BC public sector plan,
- service on or after January 1, 1993 for which the member waived enrolment,
- service to bring part-time employment up to full-time,
- a period during which the member contributed to another registered pension plan, or
- service which would cause the member's pensionable service to exceed 10 months in a calendar year for a 10-month employee (or 12 months for a 12-month employee).

2.1.2 Deadlines to purchase non-contributory service

There is a deadline applied to purchases of non-contributory service:

- A person who becomes an active member on or after April 1, 2002, must apply to purchase a period of non-contributory service within five years from the date of enrolment in the plan, or within 30 days of termination of employment with all plan employers, whichever occurs first.
- The employer must then complete and submit the member's purchase application to us within 30 days of receiving the application.

2.1.3 Cost to purchase non-contributory service

The plan member is responsible for the total cost, unless the employer is willing to enter into a cost-sharing arrangement with the member.

Current salary and current contribution cost method

The current salary and current contribution cost method is used for purchases where the employee's position was covered by the plan.

The cost to purchase is determined by calculating the employee and employer contributions required for the amount of pensionable service to be purchased, using the plan's current employee and employer contribution rates and the member's current pensionable salary.

2.2 Leave of absence (LOA)

Plan members enrolled prior to taking a leave of absence may be eligible to apply to purchase that leave. There are two main categories of leave:

- *Employment Standards Act (ESA)* provided leaves where the purchase of service is required to be cost-shared between employer and member:
 - Maternity
 - Parental
 - Family responsibility
 - Compassionate care

- Disappearance of a child
- Death of a child
- Bereavement
- Jury duty
- Critical illness or injury leave
- COVID-19-related leave
- Personal illness or injury leave
- Domestic or sexual violence leave
- General leaves where member is responsible for the full cost of purchasing service.

2.2.1 Employment Standard Act LOA timeframes

Refer to the following Purchase of Service table for clarification of leave limits applied per purchase type.

PURCHASE TYPE	LEAVE LIMITS	IMPORTANT DETAILS
In the event of a discrepancy between this table and the <i>Employment Standards Act (ESA)</i> or <i>Income Tax Act Regulations (ITAR)</i>, the ESA or ITAR shall prevail.		The Income Tax Act Regulations (ITAR) states purchase leave maximums. *5 years, **3 years
General leave	Based on ER approval.	For a reason other than as listed under the ESA or in excess of ESA limits. Cannot apply to purchase until leave has ended. *5 year ITAR maximum applies
Maternity leave	Pregnant employees can take up to 17 consecutive weeks, beginning no earlier than 13 weeks before the child's expected due date. Employees can also take up to 6 consecutive weeks following a termination of pregnancy, commencing the day the pregnancy ends. If complications following birth or termination of pregnancy prevent the employee from returning to work, the leave can be extended an additional 6 weeks.	**3 years ITAR maximum applies (1 year per child) *5 year ITAR maximum applies (for portions of the leave not covered by the 3 year ITAR maximum)

PURCHASE TYPE	LEAVE LIMITS	IMPORTANT DETAILS
Parental/adoptive leave	<p>Birth parent: If maternity leave is also taken, up to 61 weeks which must begin immediately after the maternity leave ends.</p> <p>Non-birth/adoptive parent: Up to 62 consecutive weeks, which must begin within 78 weeks of the child's birth or, in the case of adoption, within 78 weeks of placement of the child with the adoptive parent.</p> <p>Can have an additional 5 consecutive weeks if the child has any condition which requires an additional period of parental care, beginning immediately after the end of the original entitlement.</p>	<p>**3 year ITAR maximum applies (1 year per child)</p> <p>*5 year ITAR maximum applies (for portions of the leave not covered by the 3 year ITAR maximum)</p>
Compassionate care leave	Up to 27 weeks within a 52 week period (can be taken in units of one or more weeks).	<p>To provide care or support to a family member with a significant risk of death within 26 weeks.</p> <p>*5 year ITAR maximum applies</p>
COVID-19-related leave	Employee is entitled to unpaid leave for as long as any of the ESA-prescribed circumstances apply to that employee. See Section 2.2.1.7 of this instruction manual.	<p>This leave is a temporary measure and is expected to be repealed and removed from the ESA when no longer needed.</p> <p>*5 year ITAR maximum applies</p>
Leave respecting the disappearance of a child (up to 19 years of age)	Up to 52 weeks beginning on the date of the child's disappearance (can be taken in one unit of time or, with the employer's consent, more than one unit of time).	<p>The child's disappearance must be the result of a crime (e.g., a kidnapping).</p> <p>*5 year ITAR maximum applies</p>
Leave respecting the death of a child (up to 19 years of age)	Up to 104 weeks beginning on the date of the child's death (or is found dead if prior disappearance). The leave can be taken in one unit of time or, with the employer's consent, more than one unit of time.	*5 year ITAR maximum applies
Critical illness or injury leave	Up to 36 weeks (to care for a family member under 19 years of age) or 16 weeks (to care for a family member 19 years of year or older) within a 52 week period (can be taken in units of one or more weeks).	<p>To provide care or support for a family member whose life is at risk due to illness or injury.</p> <p>*5 year ITAR maximum applies</p>
Leave respecting domestic or sexual violence	Up to 5 days paid leave in one or more units of time, plus up to 5 days unpaid leave in one or more units of time, plus an additional 15 weeks unpaid leave taken in one unit or time, or more than one unit of time with the employer's consent.	<p>For prescribed purposes for the employee, or the employee's child or dependent. See Section 2.2.1.9 of this instruction manual for calculating an average day's pay for the paid portion.</p> <p>*5 year ITAR maximum applies</p>

PURCHASE TYPE	LEAVE LIMITS	IMPORTANT DETAILS
Personal illness and injury leave	Up to 5 paid days and 3 unpaid days per calendar year.	Applies to employees who have worked for their employer for at least 90 days. Both paid and unpaid leave resets every January 1. Unused days from one calendar year do not carry forward to the next. These are minimum requirements that apply even if a collective agreement contains provisions that meet or exceed these requirements. *5 year ITAR maximum applies
Family Responsibility Leave	Up to 5 days off each employment year.	Responsibilities related to care, health, or education of a child in the employee's care or immediate family. Employment year is based on the employee's starting date. Unused leave does not roll over to subsequent years. *5 year ITAR maximum applies
Bereavement Leave	Up to 3 days off.	When a death in the employee's immediate family (including adult child). *5 year ITAR maximum applies
Jury Duty	Employee is entitled to leave for as long as necessary to attend court as a juror. It is an unpaid leave, unless the employer and employee agree otherwise.	*5 year ITAR maximum applies

For more information about these leaves, please see [Government of British Columbia Leave of Absence](#).

2.2.1.1 Maternity Leave

As of May 17, 2018: a pregnant employee is entitled to up to 17 consecutive weeks of leave beginning no earlier than 13 weeks before the expected birth date, and no later than the actual birth date.

An employee is also entitled to maternity leave following the termination of the pregnancy to a maximum of 6 weeks starting on the date the pregnancy was terminated. **Note:** if an employee is already on maternity leave prior to the pregnancy terminating, they remain entitled to 17 weeks from the original start date of the leave.

An employee is also entitled to up to 6 additional consecutive weeks if, for reasons related to the birth or the termination of pregnancy, they are unable to return to work when their leave ends.

Prior to May 17, 2018 the same provisions apply, except: leave can begin no earlier than 11 weeks before the expected birth date.

Transitional provisions: While transitional provisions exist for this leave, they do not impact purchase of service. The maximum duration of this leave is 17 weeks both before and after the 2018 ESA amendments.

2.2.1.2 Parental Leave

Birth parent as of May 17, 2018:

A birth parent who has taken maternity leave is entitled to up to 61 consecutive weeks beginning immediately after the maternity leave ends (unless employer approves otherwise).

- A birth parent who does not take maternity leave is entitled to up to 62 consecutive weeks which must begin within 78 weeks of the date of birth.
- If the child has a physical, psychological or emotional condition requiring an additional period of parental care, the birth parent is entitled to up to an additional five consecutive weeks beginning immediately after the end of the original entitlement.
- A leave that extends beyond the 61 or 62 weeks (plus additional five weeks, if applicable) may be purchased as a general leave.

It is the employer's responsibility to verify the leave period. The plan member must provide you with the birth certificate or adoption papers to verify the birth date. The plan does not need to see these documents.

Birth parent prior to May 17, 2018 the same provisions apply, except:

- A birth parent who has taken maternity leave is entitled to up to 35 consecutive weeks beginning immediately after the maternity leave ends (unless employer approves otherwise).
- A birth parent who does not take maternity leave is entitled to up to 37 consecutive weeks which must begin within 52 weeks of the date of birth.
- A leave that extends beyond the 35 or 37 weeks (plus additional five weeks, if applicable) may be purchased as general leave.

Birth parent transitional provisions: If the child was born or placed with the adopted parent on or after December 3, 2017, the May 17, 2018 provisions apply to the leave.

Adoptive parent as of May 17, 2018:

- An adoptive parent is entitled to up to 62 consecutive weeks beginning within 78 weeks after the child is placed with the parent.
- If the child has a physical, psychological or emotional condition requiring an additional period of parental care, the adoptive parent is entitled to up to an additional five consecutive weeks beginning immediately after the end of the original entitlement.
- A leave that extends beyond the 62 weeks (plus additional five weeks, if applicable) may be purchased as general leave.

Prior to May 17, 2018 the same provisions apply, except:

- An adoptive parent is entitled to up to 37 consecutive weeks beginning within 52 weeks after the child is placed with the parent.
- A leave that extends beyond the 35 or 37 weeks (plus additional five weeks, if applicable) may be purchased as a general leave.

Transitional provisions: If the child was born or placed with the adopted parent on or after December 3, 2017, the May 17, 2018 provisions apply to the leave.

2.2.1.3 Compassionate care leave

As of May 17, 2018: up to 27 weeks within a 52 week period (can be taken in units of one or more weeks within this period) to care for a family member if a medical or nurse practitioner issues a certificate stating the family member has a serious medical condition with a significant risk of death within 26 weeks.

If the family member does not die within the original 52 week period, another period of leave may be granted upon obtaining a new medical certificate.

Certificate must be submitted to employer.

Prior to May 17, 2018 the same provisions apply, except:

up to 8 weeks within a 26 week period (can be taken in units of one or more weeks within this period) to care for a family member if a medical practitioner or nurse practitioner issues a certificate stating the family member as a serious medical condition with a significant risk of death within 26 weeks.

If the family member does not die within the original 26 week period, another period of leave may be granted upon obtaining a new medical certificate.

Transitional provisions: if, on May 17, 2018, an employee:

- is currently on compassionate care leave,
- has requested, but not yet begun, compassionate care leave,

or

- has taken compassionate care leave (i.e., has used the previous eight weeks' maximum) and less than 52 weeks have elapsed since the leave began,

and

- the family member is still alive,

the employee is entitled to up to 27 weeks of leave, minus any leave already taken, to be taken within a period ending 52 weeks after the original start date of the leave. A new medical certificate is not required within this period.

2.2.1.4 Disappearance of a child (up to 19 years of age)

If an employee's child disappears and it is probable the disappearance is the result of a crime, the employee is entitled to a maximum of 52 weeks in the period beginning on date of child's disappearance and ending on the date that is 53 weeks after disappearance.

Leave may be taken in one unit of time, or multiple units of time with employer's consent and may end earlier if:

- the child is found;
- circumstances indicate it is no longer probable the disappearance is the result of a crime;
- employee is charged with a crime related to the disappearance;
- employer withdraws their consent to have the leave be taken in multiple units of time.

2.2.1.5 Death of a child (up to 19 years of age)

A maximum of 104 weeks that must be taken in the period beginning on the day the child dies or (in the case of a prior disappearance) is found dead, and ends 105 weeks after date of death.

Leave may be taken in one unit of time, or multiple units of time with the employer's consent and may end earlier if employee is charged with a crime that resulted in the death, or the employer withdraws their consent to have the leave be taken in multiple units of time.

2.2.1.6 Critical illness or injury leave

As of May 30, 2019, an employee may take up to 36 weeks of leave to provide care or support for a critically ill or injured family member, provided the family member is under 19 years of age. If the family member is 19 years of age or older, the employee may take up to 16 weeks of leave. This leave must be taken in multiple blocks of one or more weeks and requires a certificate from a medical or nurse practitioner for every 52-week period.

2.2.1.7 COVID-19-related leave

An employee can take unpaid, job-protected leave related to COVID-19 if they're unable to work for any of the following reasons:

- they have been diagnosed with COVID-19 and are following the instructions of a medical health officer or the advice of a doctor or nurse;*
- they are in quarantine or self-isolation and are acting in accordance with an order of the provincial health officer, an order made under the *Quarantine Act* (Canada), guidelines from the BC Centre for Disease Control or guidelines from the Public Health Agency of Canada;*
- the employer has directed them not to work due to concern about their exposure to others;*
- they need to provide care to an eligible person (i.e., their minor child or a dependent adult who is their child, former foster child, or other person who may be prescribed in the future**), for a reason related to COVID-19, including a school, daycare or similar facility closure;

* Between May 20, 2021 and December 31, 2021, an employee who takes COVID-19-related leave for these reasons may be entitled to up to three days of paid leave in accordance with section 52.121 of the ESA.

** Effective from April 1, 2021 onward, an eligible person also includes a member of the employee's immediate family or a family member identified in section 2 (a) or (b) of the Family Member Regulation, or a person who requires care and who is considered like a close relative (whether related to the employee or not).

- they are outside of BC and unable to return to work due to travel or border restrictions;
- other situations that may be prescribed in the future;

Effective from April 1, 2021 onward, an employee may also request and receive COVID-19-related leave for any of the following additional reasons:

- they are more susceptible to COVID-19 in the opinion of a medical professional because of an underlying health condition, ongoing treatment, or other illness, and are receiving the Canada Recovery Sickness Benefit for the leave;
- they are getting a COVID-19 vaccine (an employee may also be entitled to up to three hours of paid leave for COVID-19 vaccination in accordance with section 52.13 of the BC ESA);
- they are assisting a dependant to get a COVID-19 vaccine, i.e., a child, a dependant adult to whom the employee is a parent or former guardian, a member of the employee's immediate family, a family member identified in section 2 (a) or (b) of the Family Member Regulation, or another person who requires care and is considered like a close relative (whether related to the employee or not), and who is under the day-to-day care of the employee.

Unless otherwise noted, COVID-19-related leave is retroactive to January 27, 2020, the date of British Columbia's first presumptive case of COVID-19. An employee can take this job protected leave for the reasons above as long as they need it, without putting their job at risk. Once it is no longer needed, this leave will be removed from the *Employment Standards Act*.

2.2.1.8 Personal illness or injury leave

An employee can take up to five days paid and three days unpaid, job-protected leave per calendar year if they cannot work due to personal illness or injury (i.e., sick leave). For paid days, employees must be paid at least an average day's pay (using the same formula as in section 2.2.1.9).

This leave applies to employees who have worked for their employer for at least 90 days. Both paid and unpaid leave resets every January 1. Unused days from one calendar year do not carry forward to the next. These are minimum requirements

that apply even if a collective agreement contains provisions that meet or exceed these requirements.

2.2.1.9 Domestic or sexual violence leave

As of August 14, 2020, an employee may take the following leave each calendar year, if the employee or an individual who is in the daily care of the employee (i.e., child or other person) has experienced or is experiencing domestic or sexual violence:

- up to five days of paid leave in one or more units of time (see 2.1.3.2 Leave of Absence with full salary below),
- up to five days of unpaid leave in one or more units of time, and
- an additional 15 weeks unpaid leave taken in one unit of time, or more than one unit of time with the employer's consent

Prior to August 14, 2020, the same provisions apply, except:

- up to 10 days of unpaid leave taken in blocks of one or more days, or in one continuous period, and up to 15 weeks of unpaid leave taken in one block of time, or more than one block of time with your consent.

There is a new formula for calculating the amount owed to the employee during this leave.

- This calculation should be based on days in which wages were earned during the calendar days before the leave started.
- All wages are to be included, including salary, stat holiday pay, and paid vacations; however, overtime is excluded.

EXAMPLE

Calculation formula

$$\text{an average day's pay} = \frac{\text{amount paid (in previous 30 calendar days)}}{\text{number of days in which wages were earned (in previous 30 calendar days)}}$$

The result of the above calculation is then multiplied by the amount of paid days taken under this leave.

2.2.2 Remind your employees of purchase opportunities

Please discuss purchase of service opportunities with your employees when you grant leaves, when your employees return from leaves, and before your employees terminate their employment with you. In this way, you can help ensure plan members do not miss an opportunity to increase their service in the plan.

Some things to point out to your employees:

- There are deadlines to apply for a purchase of service: see 2.2.6 Deadlines to purchase leave.
- For *Employment Standard Act* (ESA) provided leaves such as maternity, parental and loss of a child, the cost of purchasing leave is shared between employee and employer
- There is no cost to increase contributory service by claiming credit for child-rearing time.
- Plan members can use our online estimator to do a pension or purchase cost estimate to find out if it's in their best interest to purchase service. The personalized purchase cost estimator allows members to assess the cost to purchase service and the impact on the pension, based on their chosen retirement date.
- Plan members who terminate employment and later return to work with another school district are eligible to purchase service from the prior district, provided they apply within the deadlines.
- Information about purchasing service is available to members on the plan's website at tpp.pensionsbc.ca/taking-time-offwork-and-buying-service.

2.2.3 Eligibility for purchasing ESA provided leave

- Members may purchase pregnancy/maternity leaves and/or parental leaves that end on or after April 1, 2002. Only birth mothers are eligible to purchase pregnancy/maternity leaves. Birth and adoptive mothers and fathers are eligible to purchase parental leave.
- You must verify the leave period and ensure Employment Standards Act requirements in effect at the time of the requested period of service are met. For example: only birth mothers are eligible for maternity leave; birth and adoptive parents are eligible for parental leave.

- Certain ESA leaves require the employer (or allow the employer to request) certain documentation (e.g., a birth certificate, adoption papers or medical certificate)—the plan does not need to see this documentation.
- If a member chooses to pay for the employee portion of an ESA-provided leave, the employer is required to pay for the employer portion of the leave cost.
- If a leave of absence extends beyond the maximum provided in the ESA, the additional leave may be purchased as general leave.
- Upon application, a member may choose to continue to make pension contributions while on an ESA leave.

2.2.4 General leave

General leave is any leave where the ESA does not require the employer to share the cost of purchasing the leave. A member may purchase a general leave that ended on or after April 1, 2002.

2.2.4.1 Full and partial leave

The calculation of service and salary and the leave cost depends in part on whether the member receives full, partial or no salary during the leave period.

2.2.4.2 Leave of absence with full salary

When a member is on a leave and continues to receive full salary, both you and the plan member continue to contribute to the plan, and pensionable and contributory service are credited in the normal manner. There is no purchase of service available or required in these situations. From the pension plan's perspective, it's as if the member continued to work during that time.

2.2.4.3 Leave of absence with partial salary

Plan members who take a leave of absence with partial pay may be eligible to purchase the difference between the service they would have received if paid their normal salary and the amount of service they were actually credited with based on the salary they were paid while on leave.

2.2.4.4 *Periods of reduced pay*

Plan members may be able to purchase periods of reduced pay that began after March 31, 2008. Canada Revenue Agency (CRA) defines a “period of reduced pay” as a period of employment during which the member works less than their regular assignment while retaining the right to their regular assignment and may include job sharing.

Members may be eligible to purchase the difference between the normal, full assignment and the amount actually worked, subject to the following CRA rules:

- the plan member must have been employed by you for not less than three years,
- only periods of reduced pay after the three-year requirement is met are eligible, and
- the plan member must have worked at the full assignment at some time during their employment with you prior to the leave period and not given up their right to the full assignment.

Note: For 2020 and 2021 only, the 36-month requirement does not apply. Members who worked at less than their full assignment in 2020 and 2021 may be eligible to purchase service regardless of the length of time they have been employed. If members qualified for a period of reduced pay under the relaxed eligibility requirements during this time but have since terminated employment or retired, they may still be able to purchase service. Members and employers can contact the plan for more information.

If the full assignment for the plan member is less than 100 per cent full-time, the plan member may purchase only that portion needed to bring it up to the plan member’s full assignment, not to full-time.

Periods of reduced pay will be structured in one-year increments so there is a clear deadline within which the member may purchase the service. A period of reduced pay that exceeds 12 months is considered as a consecutive series of 12-month periods. In cases where the period of reduced pay cannot be segmented evenly into 12-month periods, the shorter period will be the most recent.

The plan member must apply to purchase a period of reduced pay within five years of the end of the period or termination of employment, if earlier.

2.2.4.5 *Periods of time on the recall list*

Members may apply to purchase periods of lay-off service as a general leave of absence if they were:

- laid off and placed on a recall list,
- on a continuing contract or had seniority rights at the time of layoff and were eligible and elected to be placed on the recall list, or
- on a temporary contract and were laid off prior to the expiration of the contract, and were eligible and elected to be placed on the recall list.

In this case the member can apply to purchase the remaining months of the term of the temporary contract.

2.2.5 *Sample wording for leave letters*

Please include one of the following paragraphs in the letters you send to members when granting leaves:

2.2.5.1 *Leave with full pay*

Your leave is with full pay. While you are on leave, your contributions to the pension plan will continue and you will be credited with pensionable service as if you had continued to work.

2.2.5.2 *Leave with partial pay*

Your leave is with partial pay. While you are on leave, your contributions to the plan and pensionable service will be reduced in proportion to your salary. For example, if you receive half your regular pay during a leave, you accumulate half the pensionable service.

You may improve your benefit by purchasing the pensionable service you were not credited with. The deadline to apply to purchase this service is the earlier of five years from the end of the leave, or 30 days from the date you terminate employment with all plan employers. See the plan's website at tpp.pensionsbc.ca for more information.

2.2.5.3 Leave without pay

Your leave is without pay. While you are on leave, you will not make contributions to the plan and you will not be credited with contributory or pensionable service.

You may improve your retirement benefit by purchasing the pensionable service you were not credited with. The deadline to apply to purchase this service is the earlier of five years from the end of the leave, or 30 days from the date you terminate employment with all plan employers. See the plan's website at tpp.pensionsbc.ca/taking-time-off-work-and-buying-service for more information.

All leave types

The plan allows members to purchase annual portions of leaves that exceed one year in length.

If the purchase would cause their pensionable service to exceed 10(12) months in a calendar year, only the amount of leave up to the maximum can be purchased. Additionally, the plan member's pensionable service cannot exceed the three- or five-year maximum purchase limits prescribed by CRA.

If plan members wish to purchase a leave of absence for a period during which they contributed to a registered pension plan with any other employer, some restrictions may apply. Contact the plan for more information.

If a plan member chooses to continue to make contributions while on a ESA leave, but then stops making those contributions before the leave period has elapsed, only the leave period already purchased is credited.

2.2.6 Deadlines to purchase leaves

There is a deadline applied to purchases of leaves of absence.

- Members must apply to purchase a leave within 30 days of termination of employment with all plan employers and within five years of the end of the leave period they are purchasing.

If a member chooses to continue to contribute during an ESA leave, they must apply to do so within 30 days of the leave start date. If the member misses this 30 day deadline, they are still eligible to apply at the end of the leave and make a lump sum payment.

- The employer must then complete and submit the member’s purchase application to us within 30 days of receiving the application. If the member indicates they wish to continue to contribute during the leave, the employer must submit application form copies to us monthly.
- Termination of active membership means the cessation of employment with plan employers. Termination of current employment refers to cessation of employment with the member’s existing employer. For those covered by a collective agreement and who have seniority rights, termination of active membership doesn’t occur until the date that seniority rights cease, or 6 months after the member stops working, whichever comes first.

The member is not required to return to work after the leave, but must have been an active member within 30 days to apply to purchase. This means that if a plan member is not going to return to work after a leave, they must apply while on leave or within 30 days of the end of the leave in order to be eligible to purchase.

2.2.7 Cost to purchase leaves

The cost to purchase any leave of absence is calculated using the “Current Salary and Current Contribution” cost method. Under this cost method, the cost to purchase is based on the plan member’s current full-time equivalent salary, multiplied by the length of the leave period, multiplied by:

“Current” means at the time of application to purchase.

- the current employee contribution rate—this applies to pregnancy/maternity, parental/adoption and leaves covered under the *Employment Standards Act*, or
- the current employee and employer contribution rates—this applies to general leaves.

If a member chooses to pay for the employee portion of a pregnancy/maternity, parental, adoption, and any leave covered under the *Employment Standards Act*, the employer who granted the leave is required to pay for the employer portion of the leave cost. The plan member is responsible for the full cost of all other leaves, unless the employer is willing to share the cost. Exception: Employers do not pay a share of Reservists’ Leave.

Once a member's leave has ended, they can generate an estimate of the cost to purchase service by signing into My Account and accessing the personalized purchase cost estimator. If a member is on leave the personalized cost estimator will not be available but they may use the fillable PDF located at tpp.pensionsbc.ca/submit-a-form-to-buy-service. Not available for continuous contribution.

2.3 Arrears

Arrears occur when a plan member and the employer should have made contributions to the pension plan, but did not. If you are aware of an arrears situation for one of your employees, you should notify the employee and submit an application form on behalf of the employee. There are two types of arrears: enrolment arrears and payroll arrears.

2.3.1 Eligibility to purchase arrears

Enrolment arrears

Payment of enrolment arrears is optional for plan members.

Enrolment arrears occur when:

- a plan member, for whom enrolment in the plan is mandatory, does not start making contributions when required,
- a plan member whose enrolment was optional, does not complete a written waiver to opt out of the pension plan and does not commence contributions, or
- a plan member, whose enrolment is optional, elects to enrol but does not start making contributions from the date of election.

Payroll arrears

Payment of payroll arrears is mandatory for both employers and plan members.

Payroll arrears occur when an employer has not made deductions for a plan member. This can happen when the employer has:

- not made the required deductions on salary paid during a partially-paid leave of absence,
- failed to resume deductions when an employee, after a period of time when deductions were discontinued, should have started contributing again (for example, after a pregnancy/maternity leave), or

- for any reason does not make the required deductions and does not remit the required contributions for an active plan member (for example, there is a problem with your payroll system).

Payment of payroll arrears is mandatory for both you and the plan member. They must be paid on receipt of the *Statement of Cost*. It is your responsibility to remit the required employee and employer contributions, and collect the employee contributions from the plan member.

Less than half-time employees or casual employees

If this category of employee worked half-time or more in any pay period, this is a period of enrolment arrears.

For periods when they worked less than half-time, members may be able to purchase this service under the arrears rules if:

Their service occurred prior to January 1, 1993, and:

- they worked more than half-time in any pay period,
- they were working for a plan employer,
- they were eligible to join the plan during the period in question,
- they subsequently became a member of the plan and are currently an active member,
- they wish to have their period of less than half-time service treated as arrears,
- they have documentation establishing that their employer advised them that they could not join the plan, and
- they did not waive, in writing, their right to join the plan.

Or

Their service occurred on or after January 1, 1993, and:

- they were employed by a plan employer for the period in question,
- they subsequently became a member of the plan and are currently an active member,
- they wish the period to be treated as arrears,
- they did not waive, in writing, their right to join the plan.

2.3.2 Deadlines to purchase arrears

Termination of active membership means the cessation of employment with all plan employers. Termination of current employment refers to cessation of employment with the member's existing employer.

There is a deadline applied to purchases of enrolment arrears.

- Active members who received their first notice of arrears on or after April 1, 2002 must apply for an updated cost within five years of the date the arrears notice was sent, or within 30 days of termination of employment with all plan employers, whichever occurs first.
- The employer must then complete and submit the member's purchase application to us within 30 days of receiving the application.

2.3.3 Cost to purchase arrears

The cost to purchase arrears is calculated using the "Current Salary and Current Contribution" cost method. Under this cost method, the cost to purchase is determined by calculating the employee and employer contributions required for the amount of pensionable service to be purchased, using the plan's current employee and employer contribution rates and the member's current pensionable salary.

2.4 Child-rearing break

Plan members who take time off work to raise their own child may be able to have up to five years of this time recognized as contributory service in the plan.

Unlike purchasing a leave, members do not pay to be credited with child-rearing time. Rather, the time is counted as contributory service as long as the member meets the eligibility requirement (see below). If plan members plan to retire under age 60, additional contributory service from child-rearing time could help them meet the age plus service requirement for an unreduced retirement benefit, or for a lower reduction.

2.4.1 Eligibility for child-rearing time

To qualify for child-rearing time, a plan member must:

- have been an active plan member within 30 days of application,
- accumulate pensionable service in the plan before and after taking time off to raise a child,

- quit work or take an employer-approved full-time leave of absence specifically to raise a child,
- not have accrued entitlement to a benefit under the Canada Pension Plan during the child-rearing period, and
- pay back any refund of contributions they might have taken immediately before the child-rearing period.

A member may be able to use child-rearing time from another province's teachers' pension plan. To qualify, the member must:

- have been a member of another teachers' pension plan in Canada and must have terminated employment or taken a leave of absence for the purpose of child-rearing,
- not have accrued an entitlement under the Canada Pension Plan during the child-rearing period,
- have left their contributions on deposit in the other plan, reinstated the service in the previous plan or transferred the service to the plan under a reciprocal agreement, and
- be vested in the other plan if their service remains in the other plan.

If the member purchases a leave taken for child-rearing under the leave of absence rules, the member will already have contributory service credited for that period, and will not have additional contributory service credited for child-rearing time.

2.5 Applying to purchase service

2.5.1 When is an application form required?

You or your employee must complete Part A. The employee is not required to sign the form.

For leaves, non-contributory service and arrears, plan members cannot apply directly to the pension plan. You must complete a *Purchase of Service Application* form. You or your employee must complete Part A.

You must complete a separate application for each purchase type, with the exception of multiple general leaves of absence requests, which are to be bundled together by school year. We will combine the periods of service and provide one *Statement of Cost* to the plan member.

2.5.2 Members on leave prior to retirement or termination

Remember, plan members must have been active (including being on a leave of absence) within 30 days to apply to purchase service.

When a member is on a leave of absence just prior to retirement or termination, and will not be returning to work, application must be made:

- while on leave or within 30 days of the end of the leave
- no earlier than 30 days prior to the termination of leave

In this case, the member must pay by the due date indicated on the Statement of Cost invoice. Once the due date is past, the member will not be able to purchase the service.

If the retirement benefit is processed before the purchase has been completed, it will be amended as soon as the purchased service is credited to the member's account.

2.5.3 Purchase cost estimates

The member should not forward any funds to the corporation until they have received a final costing from the plan.

The member should calculate an estimated cost and determine the estimated increase to pension prior to submitting the application; you may be asked to assist your employees with estimates. An estimated cost allows members to determine if they wish to proceed with the purchase before making a formal application, and before having you complete the employer portion of the application form.

Plan members can obtain these figures by using the **Online purchase cost estimator**. Members can do their own estimate using the Personalized Purchase Cost Estimator available on our website through My Account. The estimator has been loaded with each member's current information.

Members who haven't registered for My Account can use the self-registration process.

The online purchase cost estimator will provide the member with an approximate cost to purchase service, the estimated increase to their pension if they purchase service, and a payback feature, which lets the member know how many pension payments they need to receive in order to recoup the cost of purchasing service.

Members who use the personalized purchase cost estimator and have decided to proceed with the application may print directly from the estimator. The application form will be populated with the purchase details as entered by the member.

The member should not forward any funds to the corporation based on estimates from the purchase cost estimator or that they have manually calculated. Members can only make payment when they receive a *Statement of Cost* from the plan.

2.5.4 Continuous contributions while on an ESA leave

For ESA leaves commencing on or after May 1, 2020 members will be able to contribute to their pension on a continuing basis during the leave. This opportunity gives members who want to buy service the flexibility to choose the option that best fits them: either pay during a leave under the new rule, or buy service in one payment up to five years after the leave under the current rule.

- Members will have 30 days from the leave start date to apply to make continuous contributions. If this 30 day deadline is missed, members will need to wait until the end of the leave period and then apply to purchase the entire period in a lump sum.
- When a member submits a POS application form requesting continuous contribution within 30 days of the leave start date, the employer will date stamp and photocopy the application and submit a copy to the Pension Corporation each month the member is on an ESA leave.
- The first partial month of leave can be combined with the second full month of leave.
- The POS application provides space for the employer to record several pay periods.
- Subsequent applications should document relevant changes, such as an increase to the member's salary.

2.6 The purchase of service application package

2.6.1 The purchase package overview

The purchase application package has been developed to help the member better understand purchase of service and their role in the purchase process.

2.6.2 Purchase of service information for the member

The *Purchase of Service Application Package* provides answers to questions regarding purchasing service, in addition to a brief description of the types of purchases (arrears, leaves of absence, and non-contributory service) and eligibility.

The *Purchase of Service Application Package* also provides information as to the next steps in the purchase process, such as paying for the purchase and tax considerations.

2.6.3 Reviewing and verifying the purchase application form

It is critical that you verify and submit purchase applications to us without delay when a member applies to make a purchase. Refer to the Purchase of Service table in Section 2.2.1 for details.

When a *Purchase of Service Application* form arrives in your office:

- Ensure that all applications are date stamped on the day they arrive in your office. This date is deemed to be the “Application Received Date” and should be recorded in the corresponding field in Part B. Teachers Pension Plan staff use this date to determine applicable rates to apply to a purchase cost and/or to determine if the application has been received before a pertinent deadline, for example, termination of employment.
- You or your employee must complete Part A of the *Purchase of Service Application* form in its entirety. It is the member’s responsibility to provide you with as much information as possible for the period of service they wish to purchase.
- It is your responsibility to **verify** the information submitted by the employee on the *Purchase of Service Application* form.
- Researching a purchase request will vary case by case. However, you should use your best judgment on how much research time is appropriate, based on individual circumstances.
- Where employment records and periods of service are difficult to verify because records are inaccessible, misplaced or destroyed, consider using the employment verification resources listed in section 2.7.6.1 (you may have to request this information from your employee).

You or your employee must complete Part A. The employee is not required to sign the form.

2.6.4 Current vs. former employer

- It is the employee's responsibility to provide you with proof of their past employment and service by contacting their former employer directly (if they are still in business), or by using supporting documents as listed above.
- The former employer verifies the employment and service and signs Part C of the application form. If unable to verify any of this information, the former employer returns the application to the member and advises them to search for additional supporting documentation.
- If the former employer is no longer in business, the member must supply you with documentation to support their application.
- Once the employment and service have been verified by the former employer, or by the supporting documentation, you must confirm the member's current annual pensionable salary, sign Part B of the application and forward to the plan for processing.

2.6.5 Teacher on call default service

Teachers on call (TOC) who did not contribute to the plan may be eligible to purchase service that occurred before January 1, 1993 even if you no longer have records to verify service. In these cases you have to confirm that the employee was employed for the specified period of service as a TOC. The amount of service available to be purchased when no records are available is as follows:

- For each full year of employment or full year on the TOC list, seven months of contributory service and three months of pensionable service can be purchased.
- For each partial year of employment or on the TOC list, the amount of contributory and pensionable service that can be purchased will be pro-rated.

2.6.6 The purchase application form

2.6.6.1 Part A—To be completed by you or the plan member

The member must complete all applicable areas; in some instances members may need assistance to determine the dates and the amount of service eligible for purchase. Keep in mind that the member must exercise due diligence in attempting to find the necessary information before requesting your assistance.

Members must complete the following critical fields:

- Plan member name and address.
- Phone number and email address.
- Type of Purchase—the member can determine purchase types and eligibility by reviewing information at tpp.pensionsbc.ca/taking-time-off-work-and-buying-service.
- Period of Service Applying to Purchase—some members may find it difficult to determine the actual dates for the period of service. In some instances you may assist the member in locating these dates; however, the member must exercise due diligence to find the dates prior to contacting you. If the member applies to purchase only a portion of a longer leave, inform the member that the annual portion would be designated as a separate leave. Once an application to purchase an annual portion of a leave is received by the plan, the portion requested will be treated permanently as a separate leave. Purchase deadlines will then apply to the end of that separate leave.
- If the member applies to purchase an ESA leave within 30 days of the leave commencing, they are eligible to choose the continuous contribution payment method.
- Indicate if member is full or part-time—the member must choose either full-time or part-time. If part-time has been selected, a percentage of full-time employment must be indicated by dividing the actual hours worked in the year by the possible full-time hours in the year.

When confirming the information in Part A, remember the following:

- **Current pension plan:** The member can only purchase service that occurred in their current pension plan.

- **Type of purchase:** The member must complete a separate application for each purchase type, with the exception of multiple general leaves of absence that occur during the same school year, which can be requested on one application. Attach details of dates and service for each leave period or use the service and salary chart in Part B. We will combine the periods of service and provide one statement of cost to the plan member.
- **Pregnancy/maternity, parental, and adoption leaves:** You must view and verify the accuracy and authenticity of any documents related to the child's date of birth (or adoption) prior to signing the application form. The plan does not need to see these documents.
- Indicate if they are full-time or part-time; if part-time, the member will indicate the percentage of full-time employment. The plan will calculate the eligible service based on the start and end dates and the percentage you have given us.

If the purchase period spans more than one year, the purchase must have the service broken down into separate years on the application or on an attachment.

- **Period of service to be purchased:** You can confirm this information by checking your employment records or, if these records are unavailable, you may need your employee to provide you with some information such as:
 - offer of employment letter,
 - leave approval form or letter,
 - historical timesheets,
 - paycheque stubs,
 - copies of T4s,
 - Employment Insurance – Record of Employment,
 - letter from Canada Revenue Agency, or
 - letter from the Canada Pension Plan.
- Once you have sufficient information to be confident in confirming the requested period of service, you must complete Part B.

2.6.6.2 Part B—To be completed by the current employer

By signing the *Purchase of Service Application* form you are indicating that you understand you will be billed for the employer portion, if applicable.

It is your responsibility to provide us with the Current Annual Pensionable Salary (full-time equivalent). This will be the salary the plan will use to determine the cost of the purchase. Pensionable Salary means the base salary received by a member and includes any additional amounts specified by the board.

Section 7 of this manual describes what types of earnings, compensation or pay are pensionable and lists some exclusions.

EXAMPLE

To calculate the Current Annual Pensionable Salary (full-time equivalent):

1. Calculate the percentage of full-time hours worked.
 - If the employee works 30 hours per week (where a full-time employee works 40 hours per week)
 - Then: $30 \text{ hours} \div 40 \text{ hours} = 75 \text{ per cent}$
2. Calculate the full-time equivalent pay period salary.
 - If the employee earned \$2,250 in their last pay period (including any Adds to Pay deemed pensionable in Section 7 Reporting) before applying to purchase service
 - Then: $\$2,250 \div 0.75 = \$3,000$
3. Calculate the full-time equivalent annual salary.
 - $\$3,000$ divided by the pay period amount 0.4615 (which equals 12 months divided by 26 pay periods) and multiplied by 12
 - Then: $(\$3,000 \div 0.4615) \times 12 = \$78,006.50$

Regular teachers

For regular teachers (including those on leave who are performing TOC work during the leave), the Current Annual Pensionable Salary is the member's full-time annual contracted pensionable salary at the time of application.

Teachers on call

For TOC who do not have a contracted position, the Current Annual Pensionable Salary is the member's daily call-out rate multiplied by the number of days available to work in the calendar year. The daily call out rate is the amount of pay the member is entitled to for working a single day.

Additional Information on Pensionable Salary can be located in Section 7 of this Employer Manual.

Service and Salary chart

For all requests, indicate the amount of pensionable service and salary paid during the purchase period (e.g., Maternity or Parental/Adoption leave top up), and, if applicable, any current year service that has not yet been reported. For continuous contribution leave purchases, display by month or pay cycle, if applicable. Indicate the service to be purchased based on the total service available in the month or pay cycle. If the costing salary amount changes for continuous contribution leave purchases, update the current annual pensionable salary amount for the purchase period

For current year purchase requests you must also provide us with the amount of pensionable service the member has accrued within the purchase of service period.

If the request is for pregnancy/maternity leave you must provide us with the pensionable service the member has accrued as a result of pregnancy/maternity leave top up paid in the purchase period.

We use the current year service information to determine how much service the member is eligible to purchase. Refer to eligibility rules in section 2.1.1.

Authorizing signing officer

By signing Part B, you are confirming the information in Parts A and B, and certifying that the information is true, complete, and correct to the best of your knowledge, based on the purchase eligibility rules for each purchase category. Please refer to purchase eligibility for each type of purchase earlier in this section.

Also, by signing the form you are indicating that you accept the respective employer cost responsibility, if applicable.

For example, if an employee pays for the employee portion of a pregnancy/maternity leave, the employer who granted the leave will be billed for the employer portion of the cost.

2.6.6.3 Part C–To be completed by the former employer (if required)

If the period of service being purchased was with an employer with whom the employee is no longer employed, the employer with the period being purchased must complete Part C as the Authorized Signing Officer. The current employer is still required to complete Part B of the application form to provide us with the Current Annual Pensionable Salary. If the previous employer no longer exists, and is not an amalgamation, the member must provide you with proof of employment in order for you to verify the period of service.

2.6.7 Forward the application to the Teachers' Pension Plan

Once all sections of the form are completed, the form is sent to us. We will produce a and send it to the member. The member must pay by the due date indicated on the statement in order to be eligible to purchase the service at that cost. If the member does not purchase, they may apply to have the cost recalculated, as long as the deadline for that purchase type has not passed (see deadline information under each purchase type in this section).

If the member has chosen Option 1: Continuous contribution, submit a copy of Part B after each monthly pay cycle. Throughout the leave, the member will receive a Statement of Cost from the Plan about once a month. To be eligible to purchase service at the cost listed on the Statement, the member must submit their payment by the due date listed on the Statement. If the member does not pay by the due date, the continuous contribution option expires. Both the member and the employer will be notified of expired continuous contribution options. If the continuous contribution option expires, and the member still wants to purchase service, they must wait until the end of the leave period to apply to have the cost recalculated. Upon recalculation, the member may purchase the services by making a lump sum payment.

2.6.8 Request for an updated purchase cost

In order to receive an updated purchase cost for an expired lump-sum payment, members must formally request an update. Members can do so by sending you a new completed *Purchase of Service Application* form, provided the application deadline has not passed. You will review the new application's details to ensure that the member is still eligible to apply to purchase service (i.e., the deadline for the member to apply to purchase the service has not passed), and then complete the employer section, providing us with the new "Current Annual Pensionable Salary" (full-time equivalent), so we can prepare an updated cost using the most current salary. Once completed, sign the form and forward it to the plan. We will send out a new *Statement of Cost* to the member if all eligibility criteria have been met.

2.7 Paying for purchases

2.7.1 Methods of payment

There are several possible methods of payment:

- cash from plan member (in the form of a personal cheque or EFT),
- RRSP transfer,
- employer funds paying for employee portion,
- employee funds directed from severance payments or retirement allowances, or
- combination of any of the above.

2.7.2 Tax implications

Remember to inform the member that purchases made from a severance or retiring allowance may affect RRSP room. The member must contact CRA to determine that they have sufficient RRSP room to proceed with the purchase.

Contributions made to pay for purchases may be tax-deductible. If a member pays in cash (in the form of a cheque or EFT) directly to the Teacher's Pension Plan, we will issue a receipt to the member to use when filing their income tax return for the year in which the payment is made.

If they are paying by cash, the member must contact Canada Revenue Agency (CRA) to see if they have enough RRSP room. If a member pays for their purchase by cash and they do not have enough room, CRA will deny the purchase.

If a member pays by RRSP transfer, we will not issue a receipt as the funds are already tax sheltered and would have been deducted by the member at the time they were contributed. We will acknowledge receipt of these funds.

If you are paying some or all of the member's purchase you need to arrange the details of the employer payment with the member. Ensure the payment is made by the due date on the *Statement of Cost* and that the member has completed the "Method of Payment" section on the *Statement of Cost*.

No tax receipts are issued for employer-funded payments, other than for severance and retiring allowance payments as set out below.

2.7.3 Severance and retiring allowance payments from the employer

If the payment is coming from severance pay or retiring allowance, we will issue a tax receipt to the member for the purchase payment and then you will issue a T4 to the member for the income.

It is important that members understand that purchases made from a severance or retiring allowance may affect RRSP room.

2.8 Payment and billing

2.8.1 Arrears

For arrears, the employer is automatically billed for the employer portion of the cost. We will send you a letter showing the breakdown of the employee and employer costs.

Enrolment arrears

Employer portion—you can pay in one of two ways:

- through the regular remittance process by reporting the employer portion of the arrears payment on line 6 of your next employer remittance—ensure you include the arrears payment with your remittance, or
- by a separate cheque.

Employee portion—we will send the member a *Statement of Cost* for the employee portion. The member must decide whether or not to pay the employee portion, which may be paid by RRSP transfer or by cash; subject to CRA approval. If the member chooses to pay by cash, we will issue a tax receipt directly to the member. If the member chooses to pay by RRSP, we will send them a *Purchase Confirmation Letter*.

We will bill employers and members separately for their portions.

Payroll arrears

In addition to the arrears letter, we will send you the *Statement of Cost* for the employee portion. You must remit both the employee and employer amounts. You are responsible to recover the employee contributions from the employee. You are responsible for indicating the deduction for the plan member's portion on the plan member's T4 slip. If you require assistance to complete the T4 with this information, please call CRA.

2.8.2 Leave of absence

If the employer is responsible for paying their portion of the leave cost as explained in section 2.2, the member will be sent a *Statement of Cost* for the employee portion. If the member pays for their portion, an invoice is generated and sent to the employer who granted the leave. The employer must pay by the due date indicated on the invoice.

If the member has chosen Option 1, continuous contributions, the plan will send you an invoice for the employer portion shortly after the member pays their portion.

If the employer is not responsible for paying a portion of the leave cost, the member will be sent a *Statement of Cost* for the full cost. Although you are not required by the pension plan rules to pay for any portion of the leave cost, you may still have an arrangement with your employee to pay for all or a portion of it. If so, please forward a cheque by the due date indicated on the *Statement of Cost*.

If the member chooses to pay by cash, we will issue a tax receipt directly to the member. If the member chooses to pay by RRSP, we will send them a *Purchase Confirmation Letter*.

2.8.3 Non-contributory service

The member will be sent a *Statement of Cost* for the full cost. Although employers are not required by the pension plan rules to pay for any portion of this cost, you may have an arrangement with your employee to pay for all or a portion of it. If so, please forward a cheque by the due date indicated on the *Statement of Cost*.

If the member chooses to pay by cash, we will issue a tax receipt directly to the member. If the member chooses to pay by RRSP, we will send them a *Purchase Confirmation Letter*.

2.9 Pension transfer agreements

Pension transfer agreements are negotiated agreements between pension plans that allow plan members to carry certain pension rights—including contributions and years of service—from one pension plan to another. They allow members to transfer the service they earned in a former plan (the “exporting plan”) to their current plan, or the plan to which they last contributed (the “importing plan”).

Transfer of full service from one plan to another is not guaranteed. Differences in benefit formulas, salaries and other factors impact transfer calculations.

Transferring pension rights under an agreement can improve the overall benefits that a plan member is entitled to receive. Plan members who transfer under an agreement must leave their contributions on deposit with their plan, rather than take a refund or other benefit, when they terminate employment.

To be eligible to transfer pension rights, the member must meet certain criteria. These depend on transfer arrangements between the two pension plans. The plan member should contact the plan directly to find out if there is an agreement in place with another pension plan, and how to proceed from there.