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# 5 PRE-RETIREMENT DEATH

Pre-retirement death benefits are payable from the Public Service Pension Plan when a member dies prior to receiving a benefit from the plan. This may occur when a member dies while still an active member, or when a member terminated employment before dying but had not yet taken a benefit.

The type and amount of the benefit payable depends on the member's age and service, and the rules in place at the date of death. If the member had previously terminated employment, the rules in place at the date of termination are also considered. The benefit may be payable to the member's surviving spouse, named beneficiary(ies) or estate.

## 5.1 When are pre-retirement death benefits payable?

Pre-retirement death benefits are payable when:

- a member dies while still an active member, including:
  - actively contributing to the plan,
  - no longer contributing to the plan but still working after having accrued 35 years of pensionable service,
  - receiving benefits under an LTD plan,
  - on an approved leave of absence and had not terminated their employment,

or

- when a terminated member dies prior to taking a benefit (i.e., the member's funds are still on deposit with the plan).

## 5.2 Who is the beneficiary or beneficiaries?

The member's spouse is automatically the beneficiary (unless the spouse has waived entitlement to the pre-retirement death benefit by completing Form 4 [Spouse's Waiver of Beneficiary Right to Benefits in a Pension Plan, Locked-in Retirement Account, Life Income Fund or Annuity Before Payments Start](#)).

If there is no spouse, and no named beneficiary on file prior to the date of the plan member's death, death benefits are paid to the plan member's estate. (See Section 1.2 Determining a member's beneficiary for more information).

### 5.3 What benefits are payable?

Refer to charts below for benefits available.

The pre-retirement death benefit payable depends on:

- member's age at death,
- years of pensionable and contributory service,
- date of death,
- date of termination of employment, and
- identity of the beneficiary.

#### For deaths of active plan members

BENEFIT PAYABLE WHEN THE BENEFICIARY IS A SPOUSE	
Plan member's age at death	Benefit payable to surviving spouse
Under age 55 (50)* (earliest retirement age)	Immediate retirement benefit, or Payment equal to the greater of: <ul style="list-style-type: none"> <li>• Plan member's contributions with interest, or</li> <li>• Commuted value of accrued benefit</li> </ul>
Age 55 (50)* or older	Immediate retirement benefit

\* Members of certain designated public safety occupations have different retirement rules based on age. The age rules for these plan members are indicated in brackets.

The immediate retirement benefit payable to a spouse is effective the first of the month following the month in which the member died (if the member died April 15, then the pension is payable beginning May 1).

If a spouse is eligible for a commuted value payment, the funds must usually be transferred to an approved registered retirement vehicle and must be locked-in. Funds transferred in this way are not taxed at the time of transfer. The funds may be used to provide an immediate or deferred retirement benefit which cannot start earlier than the month following the month in which the member died.

If the pension is under a set threshold, the spouse has the option of receiving a commuted value of the benefit payable on a non-locked-in basis. That is, the spouse may choose to take the funds as a cash payment (in the form of a cheque) with tax withheld or transfer the funds on a tax-free basis to a registered retirement vehicle.

BENEFIT PAYABLE WHEN THE BENEFICIARY IS NOT A SPOUSE	
Plan member's age at death	Benefit payable to a beneficiary(ies) or estate
Under age 55 (50)* (earliest retirement age)	Payment equal to the greater of: <ul style="list-style-type: none"> <li>• Plan member's contributions with interest, or</li> <li>• Commuted value of accrued benefit</li> </ul>
Age 55 (50)* or older	

\* Members of certain designated public safety occupations have different retirement rules based on age. The age rules for these plan members are indicated in brackets.

When multiple beneficiaries have been nominated, the benefit is split equally unless the member has assigned other proportions.

Benefits payable to a named beneficiary or estate are always paid as cash (in the form of a cheque), with tax withheld.

## 5.4 Employer responsibility

Do not report service or salary or take contributions for any period after the date of death.

When a plan member dies while an active plan member, you must complete and submit a *Certification of Death* and report the member's service, salary and contributions up to the date of death. Submit a copy of the member's death certificate if available. We also require the member's proof of age and identity (see section 1.7) to process the benefit. In the event that a plan member dies while receiving benefits under an LTD plan, you must enter the LTD stop date online (see section 6 for LTD information).

Do not report service or salary or take contributions for any period after the date of death. If you pay the employee's salary to the end of the month in which the member died, any salary or lump sum payments (such as lump sum vacation payouts) that are made on behalf of the member after death are not pensionable. Do not deduct employee or remit employer contributions on lump sum payments.

