If you have any questions about the Plan, your first source of information should always be this Plan Summary. If you need further information, you should contact your school division office. Additional assistance is also available from

Sheila Raffey
The Manitoba Association of School Trustees
191 Provencher Boulevard
Winnipeg, Manitoba R2H 0G4
Telephone: 233-1595 or
1-800-262-8836 (Outside Winnipeg)

If you need more assistance because of a termination, death or retirement you can contact

Katherine Foot
William M. Mercer Limited
1410 - One Lombard Place
Winnipeg, Manitoba, R3B 0X5
Telephone: (204) 934-4847

For help in planning your retirement benefits contact

Patricia Thorsteinson or James Ralko
(Licensed Representatives)
William M. Mercer Limited
1410 - One Lombard Place
Winnipeg, Manitoba, R3B 0X5
Telephone: 957-7340
1-888-258-1186 (Outside Winnipeg)

TO ALL MEMBERS

This Plan Summary was prepared to explain, in simple terms, the principal features of the Manitoba Association of School Trustees (MAST) Pension Plan for Non-Teaching Employees of Public School Boards in Manitoba. The Plan became effective August 1, 1974. Benefits arising from contributions made under the previous pension plan are payable **in addition** to those described in this Plan Summary. Please read the Plan Summary carefully so that you will fully understand the extent of your pension and other benefits provided by the Plan.

A more detailed description of the Plan appears in the official Plan Text, a copy of which is available for your inspection at the office of your school board or at the office of the Manitoba Association of School Trustees (MAST). In the event of any conflict between this booklet and the Plan Text, the Plan Text will govern.

Effective in June 1996, Pension Trustees have been appointed to oversee all aspects of administration and investment of the Pension Plan.

Benefits under the MAST Pension Plan are in addition to Canada Pension Plan benefits and Old Age Security benefits. For your information, some basic information about these government benefits and also personal savings in a registered retirement savings plan, are included in the final sections of this Plan Summary.

As at December 31, 2000, there were 6,173 active and 895 deferred members in the Plan.

PLAN SUMMARY

(as at January 1, 2002)

EFFECTIVE DATE

The Plan took effect on August 1, 1974. Plan anniversaries fall on each January 1.

ELIGIBILITY

As a result of current pension law in Manitoba, the question of eligibility to participate in the MAST sponsored Plan is quite complex. In deciding upon your own eligibility, the first question to be asked is whether or not you are in a class of employment whose members participate. If you are in such a class of employment, then whether you are full-time or part-time does not matter. Part-time employees **must be eligible** for Plan membership on the same basis as full-time employees if this is the only distinction between them.

For example, if in a particular division there are both full-time and part-time clerical staff, none of whom are organized, then it would not be permissible to exclude part-time clerical staff since no legitimate distinction exists. If, on the other hand, in a particular division some clerical staff are members of a bargaining unit while others are not then this would place them in different classes of employment and as such would be a legitimate distinction.

Once you have established whether or not you are in an eligible class of employment, the second question to be asked is whether or not you were hired before or after January 1, 1984. This date is significant because the eligibility rules changed on that date.

If you are in an eligible class of employment and were hired on or **after January 1, 1984,** you **must** become a member upon completion of one year of service unless you earn less than 25% of the Yearly Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan. In 2002, this earnings test is $9,775. If you earn less than this figure, then you **may** join the Plan if you wish; however, you are not required to join. The division must provide you with this option.

If you were hired before **January 1, 1984** there are two different rules. First, if you had met the earnings test (25% of the YMPE) as stated above, then you **must** become a member of the Plan on the earlier of completing 3 years of service or completing 1 year of service and attaining age 25. Second, if you were initially excluded from the Plan on the basis of being part-time then you **may** become a member of the Plan upon completion of 1 year of service.

One final point concerning eligibility is that if your school division elects to participate in the MAST sponsored Plan after you have already been hired then you can not be forced to join the Plan. Of course you continue to retain an option to join the plan if you are eligible at any future date without retroactive benefits.

RETIREMENT DATE

You may begin receipt of your pension upon retirement anytime after age 50 and before the end of the calendar year in which you attain age

69. Please note that you must terminate employment if you wish to start receiving pension income prior to age 65. Age 69 is the latest retirement age permitted under the Income Tax Act. In the year in which you attain age 69, you will have to stop participating and cease payroll deductions to the Pension Plan by November 1 at the latest, in order to allow time to start your pension income prior to December 31.

Upon attainment of age 65, should you continue employment with your School Division, you will have the right to discontinue contributions and either begin receipt of your pension or defer receipt to a later date. Should you instead elect to continue to contribute after age 65, your School Division will also contribute a matching contribution on your behalf.

EMPLOYEE CONTRIBUTIONS

During each year of membership you will contribute to the plan a percentage of your salary, less your contributions for that year to the Canada Pension Plan. Contributions are calculated on your regular salary or wage, excluding bonuses or other remuneration. The percentage varies according to your age at the beginning of the plan year, in accordance with the following table:

Members Attained Age at Beginning of Plan Year	Percentage of Salary* During the Plan Year	
	2002	**2003**
less than 44	9.4%	9.65%
45 - 49	9.9%	10.15%
50 - 54	10.4%	10.65%
55 - 59	10.9%	11.15%

60 - 64	11.4%	11.65%
65 - 69	9.0%	

* Income Tax rules limit your contributions, net of your CPP contributions, to 9% of your salary. Prior to age 65, your contribution rate can be more than 9% as long as your CPP contribution reduces your net contribution to the plan to 9% or less. After age 65, your CPP contributions normally cease, in which case your contributions to the plan will be at the maximum 9% rate.

For example, a 56 year old employee earning a salary of $40,000 would make the following contribution in 2002:

10.9% x $40,000	=	$4,360
Less estimated CPP		(1,673)
Required contributions MAST plan	=	$2,687

It is important to note that the contribution percentage is increasing each year to reflect the increase in contributions to the Canada Pension Plan so that the rate of contribution to the MAST Pension Plan remains constant. Contribution rates have been determined up to the year 2003. Once you have joined the plan, you must continue to contribute even if you become part-time or your earnings drop below 25% of the YMPE.

In addition to your required contributions you may, at your option, contribute additional amounts by payroll deduction to provide extra pension. These additional contributions will not be matched by the School Division.

Your contributions are tax deductible and the maximum you may contribute each year (including any additional voluntary contribution) is limited. The sum of your contributions and the School Division's contributions on your behalf each year are limited to 18% of your salary for the year. Also, these contributions must not exceed the Money Purchase Limit prescribed by the Federal Government.

CONTRIBUTION LIMITS

Contribution limits for money purchase registered pension plans will increase in 2003 and 2004 and limits for registered retirement savings plans will increase in 2004 and 2005. Thereafter the contribution limits will be indexed. The contribution limits are summarized in the table below:

Tax Year	DC RPP Limit	RRSP Limit
2003	14,500	13,500
2004	15,500	14,500
2005	Indexed	15,500
2006		Indexed

The sum of your contributions and the School Division's contributions on your behalf will be reported on your T-4 slip as your Pension Adjustment (PA) for the year. Your Pension Adjustment is used to determine how much you are permitted to contribute to an RRSP in the following year. For example, your 2001 PA is used to determine how much you are permitted to contribute to an RRSP in 2002.

With the consent of the Association, you may also make a lump sum transfer to the Plan of funds available from a registered pension plan or registered retirement savings plan. For administrative purposes, these funds will be considered as additional contributions. However, you will not have access to these funds transferred in until termination, death or retirement. Lock-in restrictions will continue to apply to locked-in amounts transferred from another pension plan.

SCHOOL DIVISION CONTRIBUTIONS

Your required contributions will be matched by equal contributions by the School Division. In addition, the School Division will contribute additional amounts necessary to pay all costs of administration for active members of the plan and to provide the Waiver of Contribution benefit.

INVESTMENT OF CONTRIBUTIONS

Your contributions and those of the School Division on your behalf will be invested in a fund managed by professional investment managers. All investments of the fund are made in accordance with legislation governing the investment of registered pension funds and the MAST Pension Plan "Investment Objective and Policy Statement".

UPDATING YOUR PENSION ACCOUNT

The pension fund's rate of interest is determined at each Plan Year end (Dec. 31) based on the Plan's earnings using the market value of the pension fund. Interest is credited at this rate to the balance in your pension account at the beginning of the Plan Year and to the contributions made to your pension account during the Plan Year from the end of the month in which they were made.

INTEREST FOR PARTIAL YEARS

If it is necessary to determine your pension account at a date other than the Plan Year end, your pension account will be credited with interest for the period from the most recent Plan Year end (Dec. 31) to the date of payment from the pension fund at the **greater** of the following rates:

(a) 1/2% per month, or
(b) the 91 day Government of Canada Treasury bill rate.

It is important to understand that if you transfer your account balance out of the MAST Pension Plan, either on termination, or to purchase a retirement income, the following will apply.

(a) If your account is transferred out of the plan during a calendar year, even in late December, the "Interest for Partial Years" described above will apply for the **entire period from the beginning of the current year**.

(b) if your account is transferred early in the following year, the fund rate of return for the previous year will be determined and your account balance will be updated using this rate. This can result in a higher or lower rate than the 1/2% per month used for partial years, depending on the fund's actual performance for the year. So the timing of your transfer is very important, and if you have any questions, call one of the Licensed Representatives.

HOW THE GUARANTEED ACCOUNT WORKS

The "Guaranteed Account" was established January 1, 1994 to provide a guaranteed rate of return for members age 55 and over as they approach retirement. If you are age 55 at the beginning of a calendar year your Guaranteed Account is started. Interest is allocated to this account each year based on 91 Day Treasury Bills, and the balance is reported on your annual pension statement. Upon death, termination or retirement after age 55, you receive the **greater** of

(a) your account balance based on the Fund rate of return; or
(b) your guaranteed account balance on the 91 Day Government of Canada Treasury Bill rate

It is important to understand that the comparison is only done at termination, death or retirement, and is not compared year by year.

EXAMPLE OF GUARANTEED ACCOUNT

(a) Member is age 55 on January 1, 1994.
(b) Account balance is $40,000 at January 1, 1994.
(c) Assume no further contributions.

Dec. 31	Age	Gtd. Acc't		Fund Return	
		rate	Acc't	rate	acc't
1994	56	5.52%	**$42,208**	-0.34%	$39,864
1995	57	7.05%	$45,183	17.26%	**$46,744**
1996	58	4.21%	$47,085	17.25%	**$54,808**

Bold print indicates which amount the member would have received if he or she had retired at the end of each year in the example.

OPERATING COSTS OF THE PLAN

In addition to matching your contributions to the Plan, each School Division pays 0.8% of payroll to cover:

(a) administration costs (including investment management fees for the fund); and
(b) the cost of the Disability Waiver of Contribution benefit.

Terminated employees who leave their account balance in the Pension Fund will be charged a portion of the administration costs and investment management fees which will be deducted from their account balance.

The annual charge has been initially set in 1998 to be:

$30 plus 0.5% (1/2 of 1%) of the account balance

For active employees, the extra contribution by each School Division will continue to be used to cover all costs of operating the Plan.

RETIREMENT PENSION

At your retirement date, your contributions plus investment income, together with your School Division's contributions made on your behalf, plus investment income, will be applied to purchase a pension on your behalf.

In addition, the value at retirement of any contributions by you and the School Division on your behalf to the prior plan, and the value of any voluntary contributions you may have made or other monies transferred from previous plans will be used to purchase additional pension for you at the best rate then available.

If you are within one or 2 years before your anticipated retirement date, you may contact the retirement counsellors at William M. Mercer Limited and request a quotation of your estimated pension and options on retirement.

FORMS OF PENSION

The normal form is a pension for life but guaranteed for 120 months (10 years) in any event. A full range of optional forms of pension is available to suit your individual needs. These include, but are not limited to, the following:

(a) a lifetime pension guaranteed for 15 years in any event;

(b) a pension payable for your lifetime and continuing in whole or in part to your Spouse after your death for the lifetime of your Spouse;

(c) a pension integrated with the Canada Pension Plan and Old Age Security to provide you with a total level pension from all sources, should you elect to retire before your government pensions begin.

As a result of provisions in the Manitoba Pension Benefits Act, members who have a Spouse at their retirement date are required to provide a 2/3 survivor benefit for their Spouse. The provision of this additional benefit will normally reduce somewhat the pension that the member would otherwise receive under the normal form of pension. If a given individual and his/her Spouse agree that such a survivor benefit is unnecessary then they may jointly waive this requirement.

Definition of Spouse

Your spouse is defined as a person who is your legally married spouse or your common-law partner. Your common-law partner is defined as a person with whom you have cohabitated in a conjugal relationship for either a period of at least 3 years, if either of you is married or for a period of at least 1 year, if neither of you is married.

TRANSFER OF PENSION ACCOUNT

In lieu of purchasing a lifetime pension directly from an insurance company at retirement, you may elect to transfer the value of your account to a locked-in retirement account (LIRA). Government legislation does not permit registered pension funds to be invested in a Registered Retirement Income Fund (RRIF). However, the Manitoba Pension Benefits Act permits you to transfer your registered pension funds to a Life Income Fund (LIF), a Locked-In Retirement Income Fund (LRIF), or to another registered pension plan.

LIRA's, LIF's and LRIF's are available from authorized financial institutions. Under either arrangement, you direct the investment of your funds; however, investments must comply with those permitted under the Income Tax Act.

Locked-In Retirement Account (LIRA)

A LIRA is essentially the same as a locked-in RRSP, with minor differences. A LIRA is a holding account for locked-in funds to accumulate on a tax-sheltered basis and does not provide immediate income. Withdrawals are **not** permitted.

Funds in a LIRA ultimately must be used to purchase a life annuity or be transferred to a LIF or LRIF. Funds must be transferred from a LIRA prior to the end of the calendar year in which you turn age 69.

Life Income Fund (LIF)

A LIF is a retirement income vehicle. You **must** be paid an income from your LIF fund each year except for the first year of the contract.

The LIF allows some flexibility in the amount of income you receive in a given year up to age 80. Each year you decide how much you wish to withdraw, subject to a legislated minimum and maximum amount.

You may purchase a life annuity with the balance in your LIF account at anytime, but no later than the end of the calendar year in which you turn age 80. This option will generally provide a lower income in the earlier years than a life annuity.

Locked-In Retirement Income Fund (LRIF)

The LRIF is similar to the Life Income Fund described above, except that there is no requirement to purchase a life annuity at age 80, and the payment amounts are somewhat more flexible after the first year of the contract. The maximum payment in the first year of the contract is 6% of the value of your account. The maximum payment in future years is related to the investment income earned in the previous calendar year. The income paid in any year cannot be less than the minimum amount from a RRIF.

MAST Group Plan for LIF/LRIF

William M. Mercer Limited has negotiated a Group LIF/LRIF arrangement to provide members with more flexibility and **lower fees** than individual LIF's and LRIF's, for those who wish to select this form of retirement payment.

Under the Group Plan, the investment management fee on market based funds is generally lower than what is available to you on an individual basis from a financial institution because it is being offered on a group basis to MAST Plan members and their spouses. In retail plans that offer Mutual Fund type investments, this fee is called the Management Expense Ratio (MER) and is described in the prospectus. A financial advisor may also charge additional fees.

You should note that the investment management fee is the **only** fee deducted from your account in the Group Plan. Retail plans available from financial institutions may charge additional fees other than the MER, such as administration fees, commission related or deferred sales charge. **Please ensure that you are well aware of all the fees before selecting where to transfer your funds**.

The Group Plan can also accept unlocked funds in an RRSP/RRIF so that you can use the Group Plan for all of your retirement funds.

REGISTERED PENSION PLAN

If you are moving to a new employer and the new employer offers a registered pension plan, please check with them regarding the option of transferring your account from the MAST Pension Plan before you elect to move your account from the MAST Pension Plan.

If you have accepted employment in a teaching position and are eligible to join the TRAF Pension Plan, your MAST pension account cannot be transferred from the MAST Pension Plan if you continue to work in the same division. Transfers will be allowed if employed by another division.

DEATH BEFORE RETIREMENT

If you die before retirement and you have no Spouse, your designated beneficiary or estate will receive a lump sum payment of 100% of your contributions and the School Division's matching contributions made on your behalf with all investment income earned on these contributions.

If you have a Spouse, the death benefit must be paid in the form of a lifetime income to comply with Manitoba Pension legislation. Your Spouse may elect to receive an immediate pension or transfer the lump sum value to a locked-in retirement account (LIRA), life income fund (LIF), or locked-in retirement income fund (LRIF), as described in the "Transfer of Pension Account" section. If you have service prior to January 1, 1985 and you name a different beneficiary than your Spouse, then your beneficiary will receive the benefit for service before January 1, 1985 and your Spouse will receive the remainder.

TERMINATION OF EMPLOYMENT

If you leave the Division after age 50 or after completing at least two years of service or membership in the Plan, you are entitled to receive your accumulated contributions, including interest, plus the School Division's matching contributions on your behalf.

The availability of a cash payment of your pension monies upon termination may be restricted by the Pension Benefits Act of Manitoba. Rules restricting cash payments are designed to protect employees from reaching retirement age without having a pension. Over the years, the rules have changed, however, because the rules represent a restriction on the employee's freedom of choice, they have been applied only with respect to future contributions when a change had been made. As such, there are 3 different rules applicable to various periods of service.

Service Prior to July 1, 1976

Cash refunds are unrestricted with respect to contributions made in this period.

Service from July 1, 1976, to December 31, 1984

For persons who are at least 45 and have completed 10 years of service at termination of employment, cash refunds are restricted to 25% of total member and School Division contributions made in this period. Persons who do not meet these criteria are unrestricted.

Service from January 1, 1985

For persons who have completed at least 2 years of service or membership in the plan, cash refunds of contributions made in this period are unavailable (unless your benefit will provide a pension benefit of less than the required minimum under Manitoba Pension Legislation as determined by the Administrator of the Plan).

If you have completed less than 2 years of service or membership you will not be entitled to employer contributions made on their behalf unless you have attained age 50.

It should also be noted that, even though cash refunds may be restricted, an employee who terminates would still retain the right to transfer their account to another pension plan or to a locked-in retirement account (LIRA). Refer to the "Transfer of Pension Account" section for more details on this option.

Voluntary contributions are not subject to lock-in restrictions and may be taken as a cash refund or transferred to an unrestricted RRSP upon termination.

EMPLOYEE INFORMATION

Within 6 months of the end of each Plan Year, members of the Plan will receive a statement of their benefits under the Plan. Such a statement will show the member's contributions as well as the School Division's contributions on the member's behalf. All members of the Plan are also entitled to receive the Annual Report by October 31 of each year.

MARRIAGE BREAKDOWN

In Manitoba, when a legal marriage is dissolved, the pension credits are divided between the Spouses. Therefore, 50% of the value of the benefit earned for service during the relationship will be paid to the Spouse. This payment will be transferred to another registered pension plan to which the Spouse belongs or to a locked-in retirement account (LIRA), a life income fund (LIF), or locked-in retirement income fund (LRIF) as described in the "Transfer of Pension Account" section. In any case, the payment must be used to provide some form of lifetime income to the Spouse.

This division of pension benefits does not apply to a common-law partner *unless* you both agree to it in writing, and you make a written declaration of your relationship stating when the relationship began and that the division of pension benefits should apply.

You and your Spouse (either legal or common-law partner) may agree, by signing the prescribed form, to opt out of this division of pension benefits. Both parties must receive independent legal advice with respect to the effect of the agreement and must be provided with a statement showing the value of the pension benefits being waived.

If both you and your Spouse are members of pension plans and both of you agree in writing, you may divide just the net difference between your pension benefits, rather than the pension benefits you had earned during your relationship.

Please note that upon termination or retirement, you will not be able to transfer your pension benefit out of the MAST Pension Plan if you have a marriage breakdown outstanding, thus it is essential to settle any marriage breakdown as quickly as possible.

GARNISHMENT OF PENSION BENEFITS

Manitoba pension legislation provides that benefits of active and former members of the Plan can be garnished in satisfaction of delinquent support or maintenance payments to a former spouse.

BANKRUPTCY

In accordance with the Manitoba Pension benefits Act, your pension benefits may not be assigned, charged, anticipated or given as security and are exempt from execution, seizure or attachment.

SUMMARY OF DISABILITY PROVISION

Subject to certain qualifications, a member who becomes disabled due to illness or injury will be credited with contributions as if the member had continued working and contributing to the Plan.

Following is a summary of this benefit provision:

Eligibility

All employees who are members of the pension plan and continue their employment with the Division are eligible for this benefit regardless of whether they are also eligible for sickness or disability benefits such as Salary Continuance or Workers Compensation.

Qualifications

In order to qualify for this benefit, a member must be absent from work, for reason of disability due to illness or injury, for a period of 80 consecutive working days, i.e., 16 consecutive weeks.

Amount of Benefit

Commencing on the 81st working day of disability, the member's pension account will be credited with an amount equal to the contributions that would have been made by the member and School Board had the member continued working during this period. The amount of contributions to be credited to the member's account will be determined based on the member's earnings level immediately prior to the member's date of disability.

Calculation of Benefit

The actual amount to be credited each year to a member's pension account will be determined by the Administrator, William M. Mercer Limited. This would be done annually at the end of the year or at the time of termination, death or retirement, if applicable.

Duration of Benefit

The benefit will continue up to the earlier of:

(a) the date the member returns to work or
(b) the date the member ceases to be an employee of the School Division, i.e., terminates, dies or retires;

subject to a maximum benefit of 24 months duration for any one disability.

QUESTIONS AND ANSWERS

Following are a few of the more commonly asked questions. Members are cautioned, however, that these are only brief answers. Fuller details may be found in this booklet or from the Licensed Representatives.

1. **Is there any way I can estimate what my retirement income will be?**

   The MAST Plan is a Money Purchase plan. In this type of plan, your contributions, and the School Division's contributions on your behalf, accumulate with investment income earned by the Pension Fund from year to year. At retirement, the value of your pension account is used to provide retirement income. It is difficult, therefore, to estimate exact retirement income. However, the Licensed Representatives will be happy to do certain calculations and estimates but it is suggested that these not be requested more than, say, a year or two before the anticipated retirement date.

2. **How do I request an estimate of my pensions and options?**

   If you are within a year or two before your anticipated retirement date you can request a quotation of your estimated pension and options by calling the Licensed Representative anytime during regular business hours as follows:

   in Winnipeg 957-7340
   outside Winnipeg 1-888-258-1186

3. **Can I take my accumulated dollars in cash?**

In general, the Provincial pension regulations are as follows:

If you terminate employment before age 65, you can take any money to which you're entitled and which was contributed before July 1976.

If you are either under age 45 or have worked for the School Division for less than ten years at the time of your termination, you may also receive in cash the money contributed between July of 1976 and December 31 of 1984.

Any contributions after January 1, 1985 must remain in the Plan to buy you an income commencing no later than the end of the calendar year in which you attain age 69, providing you have at least two years of service.

If you reach age 65 and are still in the employment of the School Division, you must use all of your accumulated contributions to purchase an income for retirement. This must be done prior to the end of the calendar year in which you attain age 69.

4. **Is there a penalty for early retirement?**

Early retirement is available from age 50 onwards provided you have terminated your employment with the School Division. However, members should remember that when employment stops, contributions cease. Therefore, the accumulated dollars in the Plan are going to be less if you retire early. Also, the cost of monthly income will be higher at a younger age because the payments, presumably, will be over a longer number of years.

5. **When do I have to start my pension income?**

   You must commence an income with your accumulated account balance by the end of the calendar year in which you attain age 69. However, you may elect to transfer your pension account to a LIRA, LIF, or LRIF in lieu of purchasing a life annuity from an insurance company. These options are described in the "Transfer of Pension Account" section.

6. **Do I have to transfer my money out of the Plan if I terminate employment before age 65?**

   If you leave the School Division before age 65, you may leave your money in the Plan and you will be charged a portion of the administration costs and investment management fees which will be deducted from your account balance. If you are over age 50, you can elect to start pension income immediately.

7. **If I take an income from the Plan, when will it start?**

   Your pension income is not paid from the pension fund. Your account balance must be transferred to an insurance company in order to purchase a life annuity. The Licensed Representatives will make all transfer arrangements and assist with the necessary paperwork. Your pension payments will generally start one month after the transfer is completed.

8. If I terminate with less than 2 years of service will I be entitled to any of the School Division's contributions on my behalf?

No. You will receive your own contributions with interest if you have not attained age 50. If you are age 50 or over at date of termination with less than 2 years service, you are also entitled to any School Division contributions made on your behalf.

GOVERNMENT RETIREMENT BENEFITS

In addition to the retirement benefits you will receive from the MAST Pension Plan, you may be eligible for payments from two government sponsored programs, the Canada Pension Plan (CPP) and Old Age Security (OAS).

Canada Pension Plan

Your retirement benefit from the Canada Pension Plan (CPP) will depend on your work and earnings history. This retirement benefit is payable monthly for your lifetime, beginning as early as age 60 if your employment earnings have dropped to less than 25% of the YMPE ($9,775 in 2002). If you retire before age 65, your CPP pension will be reduced by 0.5% for each month it begins before age 65. You may also postpone receiving your CPP benefit up until age 70, with a 05% increase in your benefit for each month your benefit is deferred after age 65. The benefit is indexed annually to reflect changes in the Consumer Price Index. In 2002, the **maximum** benefit payable **at age 65** is $788.75 per month.

Old Age Security

If you meet certain residence requirements and income restrictions, you will also receive a monthly benefit from OAS.

Old Age Security benefit is payable monthly for your lifetime beginning at age 65. The benefit is indexed quarterly to reflect changes in the Consumer Price Index. As of October 31, 2001, the **maximum** benefit payable was $443 per month.

Pensioners with income over $55,300 will have their OAS benefits reduced by 15% of income over $55,300. Pensioners with income of $90,700 will receive no OAS pension. This income test applies individually to married couples and disregards the spouse's income in determining the reduced OAS pension.

APPLYING FOR GOVERNMENT BENEFITS

Canada Pension Plan and Old Age Security benefits are not paid automatically. You must make application at the nearest office of Human Resources Development Canada.

More information on the Canada Pension Plan and Old Age Security can also be obtained on the Human Resources Development Canada website at *www.hrdc-drhc.gc.ca/isp/*

PERSONAL SAVINGS IN A REGISTERED RETIREMENT SAVINGS PLAN

Personal savings are an important part of your future retirement security. Although the MAST Pension Plan may be a fundamental part of your retirement savings, it is important to build extra personal savings to supplement your income when you retire.

One of the most popular ways to save extra income for retirement is by contributing to a personal Registered Retirement Savings Plan. Your contributions to a personal or spousal RRSP are tax deductible up to specified limits. Your RRSP contribution limit each calendar year is:

18% of earned income up to:	1996 to 2003 inclusive	-	$13,500
	2004	-	$14,500
	2005	-	$15,500
	2006	-	indexed

less

Pension Adjustment (PA) (total employee and School Division contributions to the MAST Pension Plan in the previous year)

Note that the Income Tax rules limit your contributions to the pension plan (please refer to the Employee Contribution section).

Your PA is reported on your T4 slip every year. The government uses your PA and the information from your previous year's tax return to calculate and confirm your exact RRSP contribution room for the year. You will receive confirmation of your RRSP contribution room on your Notice of Assessment after you file your tax return.

When you retire, you can use the value of your RRSP account to supplement your retirement income from the MAST Pension Plan and government plans.