

Please read pages 1, 2 and 4 before completing the attached form.

Why would I purchase service?

By purchasing service you increase the number of years that count toward your pension. This could get you an unreduced pension and increases the amount of your benefit at retirement. This application package will help you understand this process.

Who can purchase service?

You may be able to purchase service if:

- you are currently a member of the College Pension Plan, and
- the service was with the College Pension Plan.

What are the deadlines for purchase?

There is a five year deadline for all purchase types. You must apply for the purchase within five years of the end of the leave period or within 30 days of terminating employment with the employer with which the leave occurred, whichever is earlier. For further information, see the applicable [fact sheet](#) on the website or contact the pension plan.

What are the types of eligible service?

Leaves of absence: Time you were away on approved leaves, including: maternity, parental, adoption, compassionate care and general leaves.

Arrears: Period of time when you were eligible to make pension contributions but your employer didn't begin deducting contributions.

What information do I need?

To begin with, you need to know the dates of the service in question.

If your employer does not have records related to the period of service, you may also need: employment letters, leave approvals, timesheets, cheque stubs, T4s, employment insurance record of employment forms, letters from Canada Revenue Agency or the Canada Pension Plan.

What service can't I purchase?

Not all service is available for purchase. For instance:

- You can't purchase more service than you would normally have worked—for example, you can't be a part-time employee and purchase service to full-time.
- You continue to be credited with service while on an approved Group Disability Plan (LTD) leave, and you do not need to purchase this service.
- You cannot purchase service that exceeds income tax limits for pension and RRSP contributions—note that you may wish input from a financial advisor (see “*Tax considerations?*” on Page 4).
- Any leave of absence that ended more than five years ago.
- Any non-contributory period of service.

How much will it cost?

For a more accurate estimate of the purchase cost and the increase to your pension see our [purchase cost estimator](#) available on the website. Or, use the simple table below.

To estimate the cost of purchasing service you will need to know your full-time equivalent monthly salary. This is the amount of salary you would earn if working full-time. You will find the formula for converting part-time hours into full-time equivalent on page 4 or on the website.

	Example
Your current full-time gross monthly salary (or full-time equivalent if part-time)	\$6,000
Percentage of full-time employment during purchase period	X 100%
Number of months available to purchase	X 6
Contribution rate (employee/employer combined)	X 19.48%
Estimated cost to purchase the service = \$7,013	
Maternity/parental/adoption/compassionate care leave or arrears (if applicable)	÷ 2 = \$3,506

(NOTE: Dividing by two assumes member and employer shares are both 50%)

How much will it increase my pension?

Use the table below to estimate how much your monthly pension benefit may increase for every month of service you purchase. Multiply the approximate monthly increase by the number of months. This is an estimate of the lifetime pension payable, assuming you retire with the average annual earnings shown.

Average Annual Earnings at Retirement	Approximate Monthly Increase
\$30,000	\$3
\$40,000	\$4
\$50,000	\$6
\$60,000	\$7
\$70,000	\$8
\$80,000	\$10
\$90,000	\$11
\$100,000	\$13
\$110,000	\$14

What are the next steps?

- to purchase service complete part A of the attached *Purchase of Service Application*; copy and attach all necessary documents
- send everything to your employer, who will complete part B and send it to the College Pension Plan

How do I pay for my purchase?

Don't send money at this time. You will receive an invoice which notes the payment due date, and any other necessary documents, from the pension plan. You may pay for your purchase by RRSP transfer and/or cheque, money order, etc. For more information see the applicable [fact sheet](#) available on the website or contact the pension plan.

Need help?

More information is available by contacting your employer or the pension plan. You may also refer to the website.

Contact Information: Questions can be directed to your employer or contact us at:

College Pension Plan

PO Box 9460
Victoria BC V8W 9V8

Location 2995 Jutland Road, Victoria

Victoria 250 953-4324
Toll-free in BC 1 888 440-0111

Fax 250 953-0412
E-mail CPP@pensionsbc.ca
Web college.pensionsbc.ca

Freedom of Information and Protection of Privacy Act—The personal information on this form is collected under the authority of the *Public Sector Pension Plans Act* and will be used by the Pension Corporation to administer a plan member's pension and other non-pension benefits. If you have any questions about the collection and use of this information, contact the Chief Executive Officer at 2995 Jutland Road, Victoria BC V8T 5J9 or by telephone at 250 387-1002.

PURCHASE OF SERVICE APPLICATION

PENSION PLAN USE ONLY	
PERSON ID	
College Pension Plan PO Box 9460 Victoria BC V8W 9V8	
Location 2995 Jutland Road, Victoria	
Web college.pensionsbc.ca	
Victoria	250 953-4324
Toll-free in BC	1 888 440-0111
Fax	250 953-0412
E-mail	CPP@pensionsbc.ca

INSTRUCTIONS FOR PLAN MEMBER

- Read pages 1, 2 and 4 before completing this form.
- Do **not** send payment; the pension plan will send you an invoice.
- Complete part A, copy and attach all required documents, then forward this form to your employer.
- Direct questions to your employer, or contact us.

PART A To be completed by the **PLAN MEMBER** – please print clearly

PLAN MEMBER LAST NAME	FIRST NAME AND INITIAL (if any)
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MAILING ADDRESS (include street, city or town, province and postal code)

DAYTIME PHONE (include 10 digits)	E-MAIL (optional)	DATE OF BIRTH YYYY / MM / DD	SOCIAL INSURANCE NO.
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TYPE OF PURCHASE (separate application required for each purchase type) – please check (✓) ONE of the types below			
LEAVE OF ABSENCE		YYYY / MM / DD	ARREARS
<input type="checkbox"/> MATERNITY – (child date of birth)	_____	<input type="checkbox"/> COMPASSIONATE CARE	<input type="checkbox"/> ENROLMENT
<input type="checkbox"/> PARENTAL – (child date of birth)	_____	<input type="checkbox"/> GENERAL	<input type="checkbox"/> PAYROLL ERROR
<input type="checkbox"/> ADOPTION – (adoption date)	_____		
PERIOD OF SERVICE APPLYING TO PURCHASE			
EMPLOYER NAME DURING PURCHASE PERIOD		START DATE YYYY / MM / DD	END DATE YYYY / MM / DD
AMOUNT OF SERVICE APPLYING TO PURCHASE			
<input type="checkbox"/> FULL-TIME	<input type="checkbox"/> PART-TIME (indicate percentage)	%	OR
		PENSIONABLE SERVICE MONTHS	CONTRIBUTORY SERVICE MONTHS
PLAN MEMBER SIGNATURE – I understand that I must meet all eligibility requirements in order to purchase this period of service.			DATE SIGNED YYYY / MM / DD

PART B To be completed by **EMPLOYER** – please print clearly – refer to employer manual for clarification

CURRENT EMPLOYER NAME	CONTACT PHONE (include 10 digits)	EMPLOYER NO. (include 5 digits)
CURRENT ANNUAL PENSIONABLE SALARY – (full-time equivalent pensionable salary must be completed by current employer)	\$	OR
		<input type="checkbox"/> CHECK (✓) IF PLAN MEMBER IS CURRENTLY ON GROUP DISABILITY (e.g., LTD)
FOR CURRENT YEAR REQUESTS Indicate the amount of pensionable service earned but not yet reported to the plan.	MONTHS	FOR LEAVE OF ABSENCE REQUESTS Indicate the amount of pensionable service earned during the purchase period (e.g., Maternity top up, partial leaves), if applicable.
		MONTHS

EMPLOYER CERTIFICATION – By signing this form I certify that I am an authorized signing officer for the employer indicated above. I also realize that by signing this form it is irrevocable and I accept the respective employer responsibility. I certify that the information completed in Parts A and B of this form are true, complete and correct to the best of my knowledge.

AUTHORIZED SIGNING OFFICER (print name)	AUTHORIZED SIGNING OFFICER TITLE	AUTHORIZED SIGNING OFFICER SIGNATURE	DATE SIGNED YYYY / MM / DD
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Employer and Plan Member: Make a copy of this completed form for your records before forwarding to the pension plan

NOTES

Contributory service—Number of months you (and your employer) made contributions to the plan. It is used to determine if you are eligible for a pension and whether your pension will be reduced should you decide to retire before normal retirement age. You earn one month of contributory service for any month in which you and/or your employer make the required contribution for that time.

Deadlines

- **Arrears**—You have five years from receiving the notice of arrears or until termination of employment, whichever is earlier, to apply to purchase the arrears period.
- **Leave of Absence**—You must apply for the purchase within five years of the end of the leave period or within 30 days of terminating employment with the employer with which the leave occurred, whichever is earlier.

Full-time equivalent—The amount of salary you would earn if you were working full-time. Divide the current full-time gross monthly salary you are paid by the percentage of part-time you are working. Multiply by 12 to determine the full-time equivalent annual salary. You can determine the percentage of full-time by dividing the hours you work into the hours a full-time member works. The full-time hours vary by employer and job so contact your employer if you need details.

Example: You are working 30 hours per week and a full-time employee works 40 hours per week: 30 divided by 40 equals 75%.
You earned \$4,500 last month: \$4,500 divided by .75 equals \$6,000.
\$6,000 is the full-time equivalent monthly salary.
\$6,000 multiplied by 12 equals \$72,000 and is the full-time equivalent annual salary.

Pensionable Service—The actual time you worked while contributing to the plan. You earn one full month of pensionable service when you work full-time for a month. If you work half-time, you receive half a month of pensionable service. Pensionable service is used to determine your benefit amount.

Tax considerations? When you purchase service the value of your pension increases. Canada Revenue Agency (CRA) places limits on how much you can deduct for contributions made to RRSPs and registered pension plans. If you purchase service that occurred in 1990 or later the pension plan will contact CRA for approval of past service pension adjustments and report any amended pension adjustments. Generally, if you pay for your purchase by RRSP transfer there are no tax implications, though you should always seek the advice of a qualified financial advisor. More information is available on [CRA's website](#).