

Retirement Policy	Policy No. 6.2.0
<u>Date of Policy:</u> January 8, 2018	<u>Review Date:</u>
<u>Motion Number:</u> 9(b)(6)	

Scope

This policy applies to all permanent employees of the Town of Nipawin.

Purpose

The Town of Nipawin strives to make the transition from employment to retirement as smooth as possible. This policy governs retirement procedures for all employees.

Municipal Employee Pension Plan (MEPP)

MEPP is a defined benefit pension plan governed by *The Municipal Employees Pension Plan Act* of Saskatchewan. Pensions are calculated based on a formula using the employee’s highest salary, pensionable service and the accrual rate in effect during the employee’s years of service.

All permanent employees are required to contribute a percentage of earnings to MEPP.

Contributions made by the employee are matched by the Town and remitted monthly.

2017 - 8.15% by employee, 8.15% by Town

July 1, 2018 – 9% by employee, 9% by Town

Retirement Incentive:

To facilitate succession planning and training, the Town of Nipawin provides a \$1,500.00 cash incentive to retiring staff who provide a minimum of six (6) months notification of retirement.

(Aug. 8, 2011 Council Meeting)

Eligibility for Retirement

Normal Retirement

The normal retirement age for MEPP members is 65.

Unreduced Pension:

Age plus eligibility service equals at least 80; or
Employee reaches 65 years of age.

Reduced Pension:

Employee has at least 15 years of
eligibility service; and
Employee is at least 55 years of age.

Early Retirement

If an employee retires before being eligible for an unreduced pension, the pension is reduced by three percent (3%) per year that the employee retires before the first date the employee is eligible to retire with an unreduced pension had the employee kept working.

Postponing Retirement:

Should an employee continue working after age 65, contribution to the plan is mandatory. Employees must start receiving pension no later than December of the year in which the age of 71 is reached.

Recognition:

Employees retiring with fifteen (15) plus years of service shall be recognized with a gift in keeping with tradition (up to \$300.00 in value) to be presented at an Employee Recognition Event as detailed in the Employee Recognition Policy.