

Buy service to boost your pension

Returning from a leave of absence? Learn how buying service can increase your pension or help you retire sooner.

Sometimes, you need to pause your work to take care of another responsibility, whether that's a new baby, a family illness or your own education. If you take an approved leave of absence, you can choose to buy service for that leave. Buying service allows your pension to grow even when you can't be at work.

Why buy service?

Buying service may increase your pension or allow you to retire with an unreduced pension earlier.

When you buy service, you increase your pensionable and contributory service. Pensionable service is used to calculate your pension at retirement. Contributory service determines if your pension will be reduced and by how much.

Use the personalized purchase cost estimator in My Account to see how buying service could increase your monthly pension. You can print your estimate—perfect for taking to your financial adviser.

Save money by buying sooner

You have five years after the end of your leave to buy your service, but it may be to your advantage to buy it sooner.

The cost to buy service is based on your salary and the member and employer contribution rates at the time you apply to buy service. You may want to buy service earlier, before potential increases to your salary or contribution rates make it more expensive.

Example: Lucas is returning from one year of general leave and considering buying service for that leave.



Lucas is currently at step 6 on his district's salary grid (\$64,472 a year). Each year, his salary will increase by one step until he reaches step 10. As his salary increases, his cost to buy service will also increase.

If Lucas buys service now, it will cost just under \$14,500. If he waits until he reaches step 10 of the salary grid (\$76,807 a year), his cost to buy service will increase to just over \$17,250.

Here's how the cost to buy service increases for Lucas:



Pay with your RRSP

No cash? No problem! You can use money from your RRSP to cover all or part of the cost of your purchase.

If you're considering this option, contact your financial institution as soon as you receive your *Statement of Cost*. We'll send you this statement after we process your application.

Your financial institution will need to send the pension plan a cheque for the portion of RRSP funds you want to use for the purchase. Keep in mind this can take a few weeks and the institution may charge you a service fee.

Haven't started your leave yet?

For certain leave types, you can apply to continue contributing to your pension during your leave instead of buying service after you return to work.

To choose this option, submit an application within 30 days of starting your leave.