

## Basics of buying past service at SFU



After you enrol in the College Pension Plan, you may be eligible to buy service for the years you participated in the SFU Academic Pension Plan before SFU joined the College Pension Plan. This is called buying past service.

Buying past service may increase the amount of your monthly pension payment when you retire.

### Note for academic administrators

If you are an academic administrator and you choose to waive your enrolment in the College Pension Plan, you will not be eligible to buy past service for the time you participated in the SFU Academic Pension Plan before SFU joined the College Pension Plan. This applies even if you join the College Pension Plan later.

### How we calculate the cost to buy past service

The cost to buy past service is based on the amount the plan needs today to cover the future costs of your increased pension. This amount is determined by an actuary—a professional with specialized knowledge of finance, statistics and risk theory.

### How to use the tables below

The two tables on the next page show an estimate of what it would cost to buy one year of service based on your current age and salary at the time you apply to buy the service. Look for the annual salary and age that are closest to your current situation to find the most relevant estimate. The values in the table are estimates only. The actual cost of buying service may be higher or lower depending on your individual circumstances.

You do not need to buy your entire period of service in the SFU Academic Pension Plan. However, if you choose to buy only a portion of your service, it must be the most recent portion.

For each year of service you plan to buy, choose the table that matches the correct time period. The cost to buy service worked after 2015 (the first table) is different from the cost to buy service worked in 2015 or earlier (the second table). That's because we calculate your lifetime pension using two pension formulas: one for

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service earned up to and including December 31, 2015, and one for service earned on and after January 1, 2016.

**Example:** Maryam is 49 and earns \$112,000 annually. The cost for her to buy one year of past service worked 2016 or later would be approximately \$23,396.

### Cost to buy one year of service worked **2016 or after** (\$)

Your current age	30	35	40	45	50	55	60	65	70
Your current salary	70,000	10,729	11,054	11,889	13,189	14,888	18,530	22,241	17,179
	90,000	13,795	14,213	15,286	16,957	19,142	23,825	26,789	22,793
	<b>110,000</b>	16,860	17,371	18,682	20,725	<b>23,396</b>	29,119	32,742	34,950
	130,000	19,926	20,529	22,079	24,493	27,650	34,414	38,695	41,305
	150,000	22,991	23,688	25,476	28,261	31,904	39,708	44,649	47,659
	170,000	26,056	26,846	28,873	32,029	36,158	45,002	50,602	54,014
	190,000	29,122	30,004	32,270	35,797	40,412	50,297	56,555	60,368
	250,000	38,318	39,479	42,460	47,102	53,173	66,180	74,414	79,432
	300,000	45,982	47,375	50,952	56,522	63,808	79,416	89,297	95,319

### Cost to buy one year of service worked **before 2016** (\$)

Your current age	30	35	40	45	50	55	60	65	70
Your current salary	70,000	12,260	12,531	13,400	14,811	16,681	20,905	22,227	19,650
	90,000	15,982	16,366	17,525	19,387	21,847	27,334	29,231	25,265
	110,000	19,705	20,201	21,649	23,962	27,012	33,763	36,234	30,879
	130,000	23,427	24,036	25,774	28,538	32,178	40,192	43,238	36,493
	150,000	27,149	27,871	29,899	33,113	37,343	46,621	50,242	42,108
	170,000	30,872	31,706	34,024	37,689	42,508	53,049	57,246	47,722
	190,000	34,594	35,541	38,148	42,265	47,674	59,478	64,249	53,337
	250,000	45,761	47,047	50,522	55,991	63,170	78,765	85,260	70,180
	300,000	55,067	56,635	60,834	67,430	76,083	94,837	102,770	84,216

### Next Steps

After you join the College Pension Plan, you'll receive more information about how to buy past service—including important deadlines and your payment options. We'll send this information by September.

Starting in September, you will be able to request a personalized purchase cost estimate. This estimate will also show you how buying past service could affect your future pension.

You can use the money from your SFU Academic Pension Plan, or other sources like RRSP or cash, but in all cases you must end your membership in the SFU Academic Pension Plan to be eligible to buy service.

More information about the tax implications of buying service will be available in September. We recommend you seek independent financial advice before making a decision.

### Important information if you are leaving your job in 2021

If you are planning to retire or leave your job at SFU this year and you want to buy past service, talk to your employer as soon as possible. You must apply to buy service within 30 days of ending your employment.



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