

Teachers' Superannuation Fund (TSF)

Policy re Restoration of Non-Vested Service	
Legislative Reference	Teachers' Superannuation Act
Policy No.	4
Approved by the Commission	November 14, 2018
Effective Date	September 1, 2018
Pages	3

1. GENERAL

Refunded service, for the purposes of this policy, means service related to non-vested, involuntary refunds issued on or after September 1, 2018.

2. APPLICATION

Subject to this policy, where the member was not vested at the date of termination, the member may restore the refunded service if payment is made as outlined herein.

3. PURPOSE

A member shall, upon purchasing a period of refunded service, have that period recognized as pensionable service.

4. POLICY

4.01 General

To restore an earlier period of refunded service, a teacher must have re-enrolled in the TSF and be, at the date of the request, an active contributor to the TSF or on a leave approved by the employer.

Contributions for the purchase of refunded service are in addition to the regular deductions made by a member for current service.

The value of the original non-vested refund is the total of member contributions, plus interest.

4.02 Request Deadline

A member has twenty-four (24) months from the date the refund was originally issued to make a request. If the request is not submitted within this timeframe, the option to purchase shall lapse.

4.03 Cost

The cost to purchase all or a portion of the refunded shall be an amount equal to the original refund value, plus interest to the request date.

Member must make a single lump-sum payment.

4.04 Payment Deadline

The member shall make payment no later than 90 days from the date of the letter informing the member of the cost.

4.05 Interest

Interest shall be equal to the discount rate set out in the most recent actuarial valuation of the Fund.

4.06 Crediting of Pensionable Service and Contributions

Upon payment, the member shall be credited with the contributions and service that pertained to the period being purchased.

4.07 Pro-ration of Service

Where the total payment is sufficient to cover the cost payable under 4.03, the entire period of refunded service shall be credited to the member as pensionable service.

Where the total payment is insufficient to cover the cost payable under 4.03, only that portion of the period of refunded service shall be credited to the member as pensionable service, as determined by applying the ratio of the payment received divided by the total cost.

4.08 Income Tax Act requirements

Where required under the Income Tax Act (Canada), a past service pension adjustment shall be filed by the Minister with the appropriate government authorities for their approval or certification.

If the PSPA is not approved, the purchase shall be reversed and the funds refunded to the member.

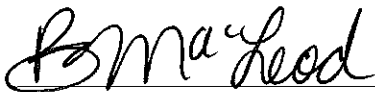
4.09 Compliance

No benefits shall be paid with respect to service purchased under this policy prior to compliance with 3.09.

4.10 Limits

The total period of earlier non-vested service that may be purchased under this policy is subject to the overall limits imposed by the *Income Tax Act* (Canada) and associated regulations on the crediting of service in a registered pension plan.

This Policy No. 4 was approved by the Commission for the Prince Edward Island Teachers' Superannuation Commission at a meeting of the Commission held November 14, 2018.



Bethany MacLeod, Commission Chair

June 16, 2020
Dated