

## Desjardins Group Pension Plan (DGPP) Impacts of your chosen retirement date

### Reminder about the transitional measure

When changes were made to the Desjardins Group Pension Plan (DGPP) on January 1, 2009, a transition rule was introduced. This rule allows eligible DGPP members to have the portion of their pension accumulated for service after January 1, 2009, calculated according to the rules that applied up to December 31, 2008, if this option proves to be more beneficial for the member.

Consequently, members who have reached the age of 57 and accumulated 85 points (sum of their age and years of continuous service) prior to December 31, 2013, will be eligible under the transition rule as long as their retirement date is equal to or later than the date on which they meet the above-mentioned conditions. **The rule applies even if their retirement date falls after December 31, 2013.** Eligibility under the transition rule is therefore decided based on the date employment ends.

Here are two examples:

- A member has reached the age of 57 and has 85 points as of September 2011. He wants to retire in 2014. The transition rule will therefore be applied when he leaves for retirement.
- Another member will reach the age of 57 and have 85 points as of November 2013. However, he wants to retire in November 2012. The transition rule will not apply to him upon retirement in November 2012 because his retirement date must be later than or equal to the date on which he meets the conditions for the transition rule.

### Retiring in December 2011 versus January 2012

For DGPP administrative purposes, the official retirement date of a member is always a Sunday and, normally, it's the Sunday after the last full week for which the member paid his or her DGPP contributions. Consequently, all members whose last day of employment (last date paid by the employer) is Friday, December 30, 2011, will officially begin their retirement on Sunday, January 1, 2012.

Retiring at the start of a new fiscal year can have an impact on the calculation of your pension as well as on the percentage of group insurance costs you must assume. There are also tax implications to take into account.

### Retiring in January 2012

Also, we would like to remind DGPP members whose retirement is set for the start of a 2012 that they must sometimes wait longer than the normal three-week period to receive their official retirement document. The DGPP must calculate your pension based on your salary for your five highest paid years, including your new salary for 2012. Your 2012 salary must be integrated into the payroll system for the calculation to be completed taking in account that new salary.

You'll find a wealth of information about your pension plan and animated capsules on preparation for retirement on the Desjardins Group Plans Web site at [www.rcd-dgp.com](http://www.rcd-dgp.com). The DGPP Member Services Team is also available to answer any of your questions.

#### **DGPP Member Services Team**

Telephone: 1-866-434-3166 or 514-285-3166 (Monday to Friday, 8:30 a.m. to 4:30 p.m.)  
E-mail: [desjardinsgroupplans@desjardins.com](mailto:desjardinsgroupplans@desjardins.com).