Your CMHC Pension Plan

Retirement income that is payable for life

Plan Highlights

CMHC is proud to provide employees with a competitive and sustainable total compensation package that includes a reliable pension plan to help you plan for your financial future.

The CMHC Pension Plan is a **Defined Benefit (DB)** plan and offers you a secure approach to plan for your retirement. It provides a pension, for life, that is higher than most private sector retirement saving plans and comparable to other public sector pension plans.

Your CMHC pension plan:

- Guarantees you a pension at retirement.
- Is calculated using a defined formula so you know up front how much your pension will be.

Other Highlights:

- Choose from higher or lower contributions and pick what's best for you.
- Annual opportunity to review and change your contribution election.
- Bridge Benefit provided upon early retirement.
- Conditional indexation based on the plan's financial health and investment performance.

When can you retire?

Early Retirement

<65

From age 55 – 65
Reduced Pension +
Bridge Benefit

Normal Retirement

65

Age 65
Unreduced Pension

Canada

CMHC SCHL

An Overview of your CMHC Pension Plan

How much do you contribute*? Choose from 2 Options:	
Option A - Higher Contributions 8.00% of salary up to the Year's Maximum Pensionable Earnings (YMPE) and 10.50% above YMPE	**Option B - Lower Contributions** 5.50% of salary up to the Year's Maximum Pensionable Earnings (YMPE) and 8.00% above YMPE
How much does CMHC contribute?	
CMHC contributes in accordance with legal requirements, to ensure the plan remains sufficiently funded to provide the benefits promised.	
What's the Pension Formula?	
Option A - Higher Pension Benefit 1.5% of your Average Annual Salary (AAS) up to average YMPE + 2% of your AAS above average YMPE x Your years of service	**Option B - Lower Pension Benefit**** 1% of your Average Annual Salary (AAS) up to average YMPE + 1.5% of your AAS above average YMPE x Your years of service

**Employee contribution rates for each option will be periodically updated to maintain a 50/50 cost sharing of the Plan's current service cost between employees and CMHC. Your contributions are fully tax deductible.*

*** In exchange for CMHC's plan cost being lower under Option B than under Option A, employees in Option B will receive an additional taxable cash allowance equal to 2.5% of salary. Please note, the cash allowance percentage may be periodically updated.*

Key definitions:

YMPE	AAS
YMPE stands for the Year's Maximum Pensionable Earnings. It is set each year by the federal government and is the maximum salary amount on which you contribute to the Canada/Quebec Pension Plan.	AAS stands for Average Annual Salary. It is calculated using the five consecutive highest-paid years of plan participation with CMHC. If you have been employed for less than five years, the average of your actual salaries is used.

More information

Please see the FAQ table for a list of common questions. For additional questions, please consult the CMHC Pension Plan Booklet available on the pension microsite.

You can also call the CMHC Pay and Benefits Centre at 1-800-465-9932 and follow the instructions to contact Aon.

Frequently Asked Questions

When do I join?	Regular full-time and part-time employees are required to join the plan upon hire. Contract employees can join the plan after 24 months of continuous employment.
Where do my contributions go?	All contributions from Plan members and CMHC, and the investment income this money earns, are held in a pension fund trust managed by professional investment managers. Investment returns have no direct impact on the pension you earn.
How is my pension amount determined?	Your income at retirement will depend on which option you choose to participate in – Option A or Option B. You will be able to see your accrued retirement income on your annual pension statement or use the Pension Estimate Calculator to estimate your pension under different scenarios and retirement dates. Indexation to pension payments will be applied on a conditional basis and will depend on the Plan's financial position and investment performance. Since inception of conditional indexation in 2018, indexation has cumulatively been granted at 100% of inflation.
How is my pension paid?	After retirement, your monthly pension amount will be deposited directly in your bank account, net of withholding taxes, by CMHC's pension payroll service provider.
Why is my pension reduced for early retirement?	If you retire before age 65, your pension will be reduced by 2.5% per year that you retire before age 65 to partially offset the additional plan cost of paying your pension over a longer period. The plan will cover the remaining costs. You will receive a bridge benefit payable from your retirement until age 65.
Can I retire after age 65?	Yes, you may retire from the plan past age 65, but no later than the end of the year you reach age 71. If you continue to work for CMHC after 65, you will continue to contribute to the plan and accrue additional service.
What happens if I leave before retirement?	If you leave CMHC before retirement, your pension options are: • Receive a deferred lifetime pension from CMHC equal to your accrued pension, which you can start any time after age 55, subject to a reduction in accordance with the Pension Plan Rules. • Transfer the lump-sum value of your pension (also known as the commuted value) to another retirement vehicle, such as a locked-in RRSP, or to your new employer's pension plan, if that plan permits. • If you join the Government of Canada, transfer the lump-sum value of your pension to the Public Service Superannuation Act (PSSA), through a pension transfer agreement.
What happens if I die *before* retirement?	If you die before retirement, your spouse or beneficiary will receive the value of your deferred pension calculated as if you had ended employment on the day of your death.

What happens if I die *after* retirement?	The normal form of pension is a lifetime pension payable to you with a fixed guaranteed minimum payment period of 15 years. If you die before the 15-year period ends, the commuted value of the remaining balance will be paid to your designated beneficiary in a lump sum payment. If you have a spouse at retirement, you must choose a form of pension that provides your spouse with a benefit of at least 60% of your pension—unless they waive their right to survivor benefits. To provide flexibility, other forms of pension are available.
Can I transfer my existing PSSA pension into the CMHC Plan?	CMHC has a pension transfer agreement with the Government of Canada (Public Service Superannuation Act (PSSA)), meaning you may be eligible to transfer your PSSA service directly into CMHC's Plan.
What happens if I have service accrued prior to January 1, 2018?	The pension formula, retirement eligibility, unreduced retirement age, early retirement reduction formula, survivor benefits and indexation provision are different for a pension associated with pre-2018 service. Please refer to the CMHC Pension Plan Booklet for additional information.