

Volume 2, Tab 4 – A Report on Employee Future Benefits

Q. When an employee from NP retires and is eligible to receive a pension, is that employee's pension delayed from going into pay?

A. Whether or not there is a delay in the receipt of pension pay is dependent upon (i) the date of retirement, (ii) whether the pensioner chooses a monthly pay scheme or a bi-monthly pay scheme, and (iii) whether the first day and fifteenth day of the month are business days.

Under a monthly pay scheme, pensioners receive their monthly pay on the first day of the month to which the pension relates or, if that day is not a business day, on the immediately preceding business day.¹

Under a bi-monthly pay scheme, pensioners receive their bi-monthly pay on the first and fifteenth day of the month to which the pension relates or, if that day is not a business day, on the immediately preceding business day.¹

For example, an employee retiring at the end of the day on Tuesday, July 31, 2007 would receive their monthly or first bi-monthly pension pay for August on Wednesday, August 1, 2007.

In general, pension pay is received on the first day of the period to which it relates. There is no delay. However, for employees retiring before a scheduled payday, the pension pay for the interim period will be received in arrears. Pension pay for the following period, though, will be received on the same day.

For example, an employee who retires at the end of the day on Friday, July 20, 2007 would receive their pension pay for the remainder of July on Wednesday, August 1, 2007. In this case, the pension pay for the period is received in arrears rather than in advance. However, their pension pay for the following period (either August 1st - 31st or August 1st - 15th) would be received in advance - also on August 1st.

¹ However, monthly pay or bi-monthly pay due on January 1st is paid on the immediately *following* business day. If pension pay relating to January were paid on the immediately *preceding* business day, it would be T4'd and subject to personal income tax in the immediately preceding calendar year.