

**Prince Edward Island  
Public Sector Pension Plan (PSPP) Policy**

<b>Buyback of Non-Vested Refunds</b>	
Policy No.	3
Effective Date	January 1, 2018
Last Revision Date	March 24, 2022
Pages	2

**1. GENERAL**

**Restoration of refunded service**, for the purposes of this policy, means non-vested, voluntary refunds issued on or after January 1, 2018.

**2. PURPOSE**

**2.01** Subject to this policy, where the member was not vested at the date of termination, the member may restore the non-vested period if payment is made as outlined below.

**3. POLICY**

**Refunded Contributions**

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

**Eligible**

**3.02** A member is eligible to restore previously refunded service, if an election to buyback service is made within 24 months of the date the refund was issued.

**Cost to Restore Non-Vested Service**

**3.03** The member shall remit the value of the original refund of contributions, plus interest to the date an election to buyback service is made.

Member must make a single lump-sum payment.

**Payment Deadline**

**3.04** The member shall make payment no later than 90 days from the date of the letter informing the member of the cost. If payment is not received within 150 days from the date of the letter, the member's request shall be cancelled.

**Interest**

**3.05** The interest payable shall be based on the discount rates from the date of the refund to the date of election.

**Crediting of Pensionable Service and Contributions**

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

**Pro-ration of Service**

**3.07** Where the full amount required is not received, the amount of service shall be pro-rated to reflect only the portion related to the payment received.

**Income Tax Act requirements**


**3.08** 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.

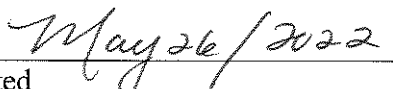
If the PSPA is not approved, the purchase shall be reversed and the funds refunded to the member.

**Limits**

**3.09** 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. 3, was approved by the Commission for the Prince Edward Island Public Sector Pension Plan at a meeting of the Commission held December 7, 2017.

  
Denise Lewis Fleming, Commission Chair

  
Dated