Benefits

The "supplementary retirement benefit" takes the form of a simple increase in the amount of an eligible annuitant's monthly allowance under the Public Service Superannuation Act. The amount of this increase is based upon the amount of the pension payable in any month and upon the year of retirement. Any person receiving a pension under the Public Service Superannuation Act is entitled to any increase payable. This includes not only persons entitled to immediate annuities, but also those in receipt of disability pensions, annual allowances, as well as widows and children receiving allowances.

When the Supplementary Retirement Benefits Act was introduced in 1970, a benefit Index was established for each year of retirement from 1952 and earlier to 1970. This index is related to the Pension Index under the Canada Pension Plan which in turn relates to the Consumer Price Index. Each Benefit Index is represented by an equivalent percentage increase factor. For example, with the first large adjustment of pension in April, 1970, a person who retired in 1960 received an increase of 22.40 percent on his monthly annuity, with effect from April 1, 1970. If he was entitled to a gross monthly annuity of $300, the increase payable monthly on that amount would have been

$$\frac{22.40}{100} \times \$300 = \$67.20$$

and his combined annuity and increase for 1970 would have been $367.20 per month, effective April 1, 1970.

As you can see, the intent of the Supplementary Retirement Benefits Act is to provide increases in pensions in relation to the rise in the cost of living. If there is a rise in the cost of living there would be a modification of the Benefit Index described above, to reflect the increase. On January 1 of each year the Benefit Index is adjusted and the equivalent percentage increase payable in respect of a given year of retirement is set.

An increase is not payable the same year as retirement. That is, a person retiring in 1974, for example, and whose pension is payable at that time, would not be eligible for any increase until January 1, 1975. A person must have left the Public Service and have become entitled to a pension for at least one day in 1974 to be eligible for any increase in 1975. Payment of supplementary retirement benefits is automatic and no application is required.