

what happens if...



Musicians' Pension Fund
of Canada



...I apply for an Early pension?

If you are at least age 55 and not yet 65 and are vested, you have the option to retire early and begin collecting an Early pension. An Early pension is calculated the same way as a Normal pension, however, your monthly Early pension benefit amount will be reduced because you'll receive your pension benefit for a longer period.

Your benefit reduction for an Early pension will vary depending on the years contributions to the Plan were made on your behalf.

- **Part 1** relates to contributions made on your behalf up to December 31, 2010.
- **Part 2** relates to contributions made on your behalf between January 1, 2011 and up to and including December 31, 2012.
- **Part 3** relates to contributions made on your behalf on and after January 1, 2013.

Part 1 Reduction of Your Early Pension

The reduction of your monthly payments for Part 1 for your Early pension benefit is based on your age (years and months) at retirement.

- **If you retire on or after age 60**, the reduction is one-third of 1% for each month you retire before age 65.
- **If you retire before age 60**, the reduction is 20% plus one-half of 1% for each month you retire before age 60.

The chart below shows the annual reduction for your Part 1 Early pension at each retirement age:

Age at retirement	Annual reduction percentage
65	0%
64	4%
63	8%
62	12%
61	16%
60	20%
59	26%
58	32%
57	38%
56	44%
55	50%

For More Information

The process for applying for an Early pension is the same as a Normal pension. Pension application forms are available from the Fund Office. You should file your completed pension application forms at least three months before you intend to retire. It will avoid delays in the payment of your pension benefit!

Part 2 and Part 3

Reduction of Your Early Pension

The reduction of your monthly payments for Part 2 and Part 3 of your Early pension benefit is actuarially reduced from age 65 and will vary depending on your specific circumstances.

Example of Early Pension Reduction

Julia is exactly 57 years old with 14 years of contributions*. She has calculated, based on the contributions made to the Plan on her behalf to date, that she would be entitled to a monthly Normal pension of \$660 at age 65. Her Part 1 pension is \$570 and her Part 2 and Part 3 pension is \$90. If, however, she retires at age 57, her early pension will be calculated as follows:

Part 1

Normal pension	= \$ 570.00
Early retirement reduction (20% plus 18% for time between age 57 and 60 = 38%) = \$570.00 x 38%	= \$ 216.60
Early Part 1 pension (\$570.00 - \$216.60)	= \$ 353.40

Part 2 and Part 3

Normal pension	= \$ 90.00
Early retirement reduction = \$90 x 48%	= \$ 43.20
Note: the 48% used in this calculation is the actuarial reduction factor to account for the fact that the pension will be paid for eight years longer.	
Early Part 2 and Part 3 pension (\$90.00 - \$43.20)	= \$ 46.80
Total Part 1 pension	= \$ 353.40
Total Monthly Pension	= \$ 400.20

Julie will receive an Early pension of \$401 per month because pensions are rounded up to the next whole dollar amount.

** Please note: This example is only for illustrative purposes. The benefit you would receive will vary depending on your circumstances.*

You will be required to submit proof of age for yourself and your spouse with your application. Proof of marital status may also be required. As soon as you submit your application, the Fund Office will acknowledge receipt and will notify you if any additional information is needed.

If you have any questions, please contact the Fund Office at 416-497-4702 or visit mpfcana.ca.