

## **INTERNATIONAL SERVICE AND THE RAILROAD RETIREMENT BOARD (RRB)**

Applies to running trades employees who travel back and forth between Canada and the US.

- When working in Canada, paid in Canadian dollars with pension contributions to the CP pension plan.
- When working in the US, paid in Canadian dollars with pension contributions to the RRB

### At retirement

- If the employee has 30 or more years of service, RRB pension starts at the age of 60. If less than 30 years of service, it starts at the age of 62. (Note – employees with less than 5 years of service collect Social Security not RRB.)
- The initial pension calculation takes into account both service in Canada and the US and if the employee is under the age of 60 (or 62) starts to pay out both portions of the pension from the Canadian pension plan.
- At the time of the initial pension calculation, Pension Plan Management determines an estimate of the RRB the employee will be collecting at age 60 or 62.
- The option statement is sent to the employee and indicates that he is eligible for RRB pension payments and shows the anticipated amount, indicating that a reduction in the Canadian pension will be made at the appropriate time (age 60 or 62)
- Once the employee reaches the appropriate age, the Canadian pension stops paying the estimated RRB amount, and only continues to pay the Canadian portion.
- The employee is expected to contact us to advise of the actual amount being collected from the RRB. If it is different from the estimate an adjustment to the Canadian portion will be made.

### Arrears

- An employee makes pension contributions to the Canadian pension plan when working in Canada, and contributions to the RRB when working in the US.
- Prior to 1999, all earnings for a running trades employee with international service are under 'regular earnings' so the system expects there to be pension contributions for all that service, regardless of whether it is Canadian or US..
- From 1999 onward, earnings are split so pension contributions are made separately for Canadian service (which the arrears process needs) and international service (to the RRB).
- All earnings prior to 1999 must be manually adjusted to determine accurate arrears otherwise it appears that the employee owes pension contributions for all the international service when in fact he does not.
- Employees with international service prior to 1999 who ask to have a 'push button' balancing of pension contributions will show an inaccurate amount of arrears.
- There is no issue for employees who only have service starting in 1999 or after.