

## **SECTION 4**

### **COMPENSATION**

#### **4.08 RETIRING PAY**

**AUTHORITY:** CIVIL SERVICE ACT / REGULATIONS  
THE COLLECTIVE AGREEMENT BETWEEN THE  
PROVINCE OF PRINCE EDWARD ISLAND AND THE  
UNION OF PUBLIC SECTOR EMPLOYEES

**ADMINISTRATION:** PEI PUBLIC SERVICE COMMISSION  
GOVERNMENT DEPARTMENTS / AGENCIES

<b>Sub-section 4.08 Retiring Pay</b>	<b>Date: 3 August 2023</b>	<b>Page</b>	<b>1 of 2</b>
--	----------------------------	-------------	---------------

## **1. INTRODUCTION**

- 1.01 The Collective Agreement between UPSE and the Government of PEI provides for a payment to be made to retiring unionized employees in reward for long service with the Province of PEI.
- 1.02 Excluded supervisory and confidential employees of the Province of PEI are provided with a payment in reward for long term service as per the provisions of the Excluded Terms and Conditions of Employment.

## **2. APPLICATION**

- 2.01 Per section 18 of the Collective Agreement, retiring pay shall be granted on retirement to an employee who:
- a) has at least ten years continuous service with the province
  - b) who has reached age 55 or over and
  - c) is eligible to receive a pension from the Prince Edward Island Public Sector Pension Plan
- 2.02 Per section 21 of the Terms and Conditions for Excluded Employees; retiring pay shall be granted on retirement to an employee who:
- a) has at least five years continuous service with the province
  - b) who has reached age 55 or over and
  - c) is eligible to receive a pension from the Prince Edward Island Public Sector Pension Plan

## **3. INTERPRETATION**

- 3.01 For interpretation of Retiring Pay Provisions, please contact the Pensions and Benefits Section.

## **4. POLICY**

- 4.01 Please refer to Section 18 of the Collective Agreement or Section 21 of the Terms and Conditions for Excluded Employees.
- a) An extract of the Agreement as it relates to retiring pay is as follows:

:

<b>Sub-section 4.08 Retiring Pay</b>	<b>Date: 3 August 2023</b>	<b>Page</b>	<b>2 of 2</b>
--	----------------------------	-------------	---------------

The retiring pay entitlement is an amount equal to one week's pay for each year of service calculated as follows:

$$\frac{\text{Total Paid Hours During Service} \times \text{Hourly Rate} \times 37.5 \text{ or } 40 \text{ hours}}{1950 \text{ or } 2080 \text{ Hours}}$$

b) The hourly rate shall be the hourly rate in effect for the employee's position title and step at the time of retirement. The computation of total paid hours during service shall not include overtime hours.

4:02 An employee eligible for retiring pay may elect to immediately receive it or defer receipt until the beginning of the next calendar year, but receipt may not be deferred beyond the end of the fiscal year in which the amount is payable.

## **5. PROCEDURE**

5.01 The employee's department is responsible for determining the employee's eligibility to receive the payment, verifying the continuous service hours, calculating the amount payable, and ensuring that the necessary paperwork is completed by the employee. The employee's information is then forwarded to Pensions & Benefits for review and payment processing. Please see the document entitled "Procedural Guidelines for Processing Retirement Allowance Payments" for a detailed overview on the procedure followed to issue the payment.