



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## FREQUENTLY ASKED QUESTIONS

# Pension plan, pay and benefits of departing Members of Parliament and during dissolution of Parliament

### Members of Parliament Pension Plan

#### **Are all departing Members entitled to a pension?**

Members must have accumulated at least 6 years of pensionable service upon their departure in order to be entitled to a pension upon retirement. Members with less than 6 years of pensionable service are entitled to a withdrawal allowance, equal to a return of their contributions to the Members of Parliament Pension Plan, plus interest.

#### **At what age can Members receive their retirement allowance?**

Members who have accumulated at least 6 years of pensionable service may receive an unreduced retirement allowance, as follows:

- at age 55 for pensionable service accumulated before December 31, 2015; or
- at age 65 for pensionable service accumulated as of January 1, 2016.

Note: Members may choose to start receiving a retirement allowance once they reach age 55, but the allowance will be reduced by 1% for each year that the Member is under 65.

#### **What is the established pension amount for retired Members?**

Benefits paid under the pension plan are calculated using a formula that is based on the participant's pensionable service and annual pensionable earnings over the five consecutive years of highest-paid pensionable service. The current benefit accrual rate is 3% per year of service. Benefits for pensionable service accumulated as of January 1, 2016, have been coordinated with the Canada Pension Plan (CPP) and the Québec Pension Plan (QPP). Therefore, a participant's retirement allowance will now consist of several separate components.

For more information on the formula used to calculate Members' benefits, please see the [Report on the Administration of the Members of Parliament Retiring Allowances Act for the Fiscal Year Ended March 31, 2020](#) (section "Plan Benefits") on the Government of Canada website.

#### **What happens to a former Member's pension if they get re-elected ?**

Members who are appointed to the Senate or re-elected to the House of Commons will cease receiving pension benefits under the Members of Parliament Pension Plan as of the date of their appointment or election. They are required to contribute to the pension plan for as long as they remain in office. Upon their resignation, their pension benefits will be recalculated to reflect the additional pensionable service. Members who received a withdrawal allowance for prior service will have the option to buy back their previous service upon their re-election.

#### **Do Members continue to contribute to the pension plan during an election?**

Yes, contributions will continue to be deducted during dissolution, as this period counts as pensionable service.

### **Pay and Allowances**

#### **Are Members paid during an election?**

Yes, Members continue to receive their sessional allowance during dissolution. The last day of remuneration for Members not seeking re-election or those not re-elected will be on Sunday, September 19.

#### **Are Members entitled to a severance allowance?**

In order to be entitled to a severance allowance, Members must meet one of the following criteria:

- they cease to be a Member after the dissolution of Parliament and are not entitled to a pension under the Members of Parliament Pension Plan;
- they cease to be a Member after the dissolution of Parliament, are entitled to a pension under the Members of Parliament Pension Plan, but are under the age of 55; or
- they are resigning during Parliament because of an illness or a disability (subject to the approval of the Speaker of the House).

#### **What is the amount of severance that Members are entitled to?**

In most cases, the severance allowance is equal to 50% of the sessional allowance that Members are eligible to receive (plus any additional salary to which they may be entitled) as of the date of the general election. For Members who are entitled to a pension and are six months or less away from turning 55 upon ceasing to be a Member, their severance will be reduced based on the number of days remaining until their 55th birthday.

#### **Are there any transition support measures in place to help Members who did not seek re-election or who were not re-elected?**

Members who are transitioning from parliamentary life after the election have access to an allocated amount of \$15,000 to help them re-establish themselves. This support includes career transition services; financial, retirement and re-employment counselling; and education and training.

## Benefits

### **Are Members covered under their insurance plans during dissolution? What happens if they are not re-elected?**

Health, dental and life insurance coverage continues throughout dissolution. Coverage for Members not seeking re-election or those not re-elected is impacted as follows:

#### **Life insurance**

All lines of insurance under the Public Service Management Insurance Plan (PSMIP) will end on election day. However, Members will have 60 days to convert this life insurance to a commercial policy with Industrial Alliance.

#### **Medical insurance**

The current medical coverage under the Public Service Health Care Plan (PSHCP) will end on the last day of the month following the month during which a Member ceases to be a Member. Members with at least 6 years of service will have the option to continue to be covered for certain benefits and hospital provisions not otherwise covered under their provincial/territorial health care plan by maintaining their coverage under the PSHCP and paying the associated monthly premiums.

#### **Dental insurance**

The current dental coverage under Canada Life will end on election day. Members with at least 6 of service will have the option to maintain dental insurance coverage by joining the Pensioners' Dental Services Plan (PDSP). The PDSP is an optional dental insurance plan administered by Sun Life Financial.

### **Until when do departing Members have access to EFAP?**

The Employee and Family Assistance Program is provided by Homewood Health and is designed to provide Members, their employees and families with counselling, coaching and support for up to 1 year following the election.

## Additional information

For more information on the pension plan, pay and benefits of departing Members and during dissolution of Parliament, please refer to the following documents:

- the Dissolution of Parliament chapter in the *Members' Allowances and Services Manual* (MAS);
- Treasury Board Secretariat's [Report on the Administration of the Members of Parliament Retiring Allowances Act](#);
- [The Members of Parliament Retiring Allowances Act](#); and
- the [Canada Gazette](#) for the contribution rates for the Members of Parliament Pension Plan.

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