

## **What is Termination?**

Being an AFM member does not mean you are a Member of the Musicians' Pension Fund of Canada (The Plan). You become a Member of the Plan if you have 24 months of participation in the Plan, without having a 6-calendar month period during which no pension contributions have been made on your behalf. You can also become a Member of the Plan if, in a calendar year, you have accumulated either, 700 hours of employment with an Employer or Covered Earnings equal to or greater than 35% of the YMPE (Year's Maximum Pensionable Earnings). Once you are a Member of the Plan, you become Vested.

If you are a Member of the Plan, Termination occurs when you have a 24-consecutive month period for which there were no covered earnings. If this happens, you go from being an active member, to an inactive member of the Plan. You will then receive a Termination statement that will outline your options at that time.

One of the options you will have is to leave the commuted value of your accrued benefit in the Plan, to pay you a deferred monthly benefit. If you chose to stay in the Plan and you return to covered employment, regardless of when, you immediately vest in the new contribution and become an active Plan member again.

The other option, dependant on the provincial legislation that applies to you, will be to either receive a lump sum payment or to transfer the commuted value of your accrued benefit to a locked-in vehicle, such as an RRSP.

If you are not yet a Member of the Plan, termination will occur when you have a 6-consecutive month period for which no pension contributions have been made on your behalf. If this happens, any contributions that were made on your behalf, prior to the 6-month break, will be subject to cancellation.

***Disclaimer*** In the event of any differences in interpretation between this article and the official Rules and Regulations of the Plan, the official Rules and Regulations of the Plan will apply.