The Impact of the 24-Month Costing Window on Buybacks

The following table summarizes the impact the 24-month costing window has on buybacks, including how OPB calculates the buyback cost and whether the employer is required to match it.

Buyback Type	The 24-month costing window begins	Buyback initiated within the 24-month costing window	Buyback initiated outside the 24-month costing window
A period of employment with a PSPP employer during which the member did not contribute to either the PSPP or OPSEU Pension Plan (i.e., prior non-contributory service)	The date of the member's enrolment in the PSPP	• The member's buyback cost is calculated using the single contribution formula • The employer must match the member's cost	• The member's buyback cost is calculated using an actuarial formula • The employer doesn't match the member's cost
An unpaid leave of absence for more than 30 days where the member did not contribute while on leave	The last day of leave of absence	• For leaves other than special or education leaves, the member's buyback cost is calculated using the single contribution formula, and the employer must match the member's cost • For special or education leaves, the member must pay two times the single contribution cost, and the employer doesn't match the cost for either leave type.	• The member's buyback cost is calculated using an actuarial formula • The employer doesn't match the member's cost
A period of employment with a non-PSPP employer during which the member belonged to another registered pension plan in Canada (i.e., prior non-PSPP employer service)	The date of the member's enrolment in the PSPP	• The member's buyback cost is based on an actuarial formula • The employer doesn't match the member's cost	• The member's buyback cost is calculated using an actuarial formula • The employer doesn't match the member's cost
A shortfall not previously purchased when the member transferred pension credit into the PSPP from another registered pension plan through a transfer agreement (i.e., a top-up)	The date the member received initial notification of the shortfall	• The member's cost is determined according to the transfer agreement • The employer doesn't match the member's cost	• The member's buyback cost is calculated using an actuarial formula • The employer doesn't match the member's cost

If you have any questions, please contact **Steve Reis** at **steve.reis@opb.ca** or **Mitchell Steele** at **mitchell.steele@opb.ca**

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Buyback Type	The 24-month costing window begins	Buyback initiated within the 24-month costing window	Buyback initiated outside the 24-month costing window
Important: For members whose most recent period of active PSPP membership started **before** October 1, 2021 Pension credit in the PSPP or OPSEU Pension Plan in respect of which the member withdrew a lump-sum (i.e., a reinstatement buyback)	The date of the member's enrolment in the PSPP	• The member's buyback cost is the greater of the amount calculated using the single contribution formula, or the commuted value (plus interest) paid out for the credit being purchased • The employer may be required to pay partial or full matching of cost	• The member's buyback cost is calculated using an actuarial formula • The employer doesn't match the member's cost
Important: For members whose most recent period of active PSPP membership started **on or after** October 1, 2021 Pension credit in the PSPP or OPSEU Pension Plan in respect of which the member withdrew a lump sum (i.e., a reinstatement buyback)	Not Applicable: There is no 24-month costing window for this scenario	• The member's buyback cost is the greater of the lump-sum (plus interest) paid out for the credit being purchased, **or** the cost using an actuarial formula • The employer **does not** match the member's cost	• The member's buyback cost is the greater of the lump-sum (plus interest) paid out for the credit being purchased, **or** the cost using an actuarial formula • The employer **does not** match the member's cost

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Buyback Type	The 24-month costing window begins	Buyback initiated within the 24-month costing window	Buyback initiated outside the 24-month costing window
A period when the member participated in a legal strike or was legally locked-out	The last day of the legal strike or lock-out	• The member must pay two times the single contribution cost • The employer doesn't match the member's cost	• The member's buyback cost is calculated using an actuarial formula • The employer doesn't match the member's cost
A period of temporary lay-off due to a legal strike or lock-out	The last day of temporary lay-off	• The member's buyback cost is calculated using the single contribution formula • The employer must match the member's cost	• The member's buyback cost is calculated using an actuarial formula • The employer doesn't match the member's cost
A period of temporary lay-off due to a reason other than a legal strike or lock-out	The last day of the temporary lay-off	• The member must pay two times the single contribution cost • The employer doesn't match the member's cost	• The member's buyback cost is calculated using an actuarial formula • The employer doesn't match the member's cost
A period of a temporary part-time-work arrangement that ended **on or after** August 1, 2021	The last day of the temporary part-time work arrangement, (e.g., immediately before the member returns to their standard hours of work)	• The member's buyback cost is calculated using the single contribution formula • The employer must match the member's cost	• The member's buyback cost is calculated using an actuarial formula • The employer doesn't match the member's cost
A period of a temporary part-time-work arrangement that ended **before** August 1, 2021	July 31, 2021	• The member's buyback cost is calculated using the single contribution formula • The employer must match the member's cost	• The member's buyback cost is calculated using an actuarial formula • The employer doesn't match the member's cost
A period of a temporary part-time work arrangement that occurred prior to the end of the member's active PSPP membership (deferred and retired members only)	July 31, 2021	• The member's buyback cost is calculated using the single contribution formula • The employer must match the member's cost	Not applicable: There is no option to purchase this service outside the 24-month costing window for this scenario.

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