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# 4 RETIREMENT

This section provides information on getting a member's pension started, whether the member is going directly from Teachers' plan employment to retirement, or the member terminated employment from the plan earlier and now wants the pension payments to begin.

## How members get information about their pensions

- The Teachers' Pension Plan offers regularly scheduled retirement workshops to members. Check our website at [tpp.pensionsbc.ca](http://tpp.pensionsbc.ca) for more information.
- Members can use the Personalized Pension Estimator, available through My Account on our website, to create pension estimates based on their current service and salary information.
- Members can also review their annual *Member's Benefit Statement*, which provides a summary of pension information.
- When a member is within 90 days of their pension effective date they may log into My Account and initiate their application for retirement by requesting a detailed, researched estimate of their pension options. Once they select the options they want, they can complete the application online.
- If a member is unable to retire online (either because of internet access or their particular retirement scenario), and they are within four months of their pension effective date, they may contact the plan and request a retirement application package be sent by mail. The package contains an estimate request which can be filled in and returned to the plan.
- If a member is unable retire online (either because of internet access or their particular retirement scenario), and they are within four months of their pension effective date, they may contact the plan and request a retirement application package be sent by mail.

## The pension benefit

The Teachers' plan pension formula results in a lifetime pension, but a member may choose other options that will continue to be paid to a beneficiary(ies) after their death.

## Medical Services Plan

Group benefits are **not** guaranteed.

Retired members of the Teachers' Pension Plan may apply for continued health care coverage under the BC Medical Services Plan. The Teachers' Pension Plan does not subsidize these premiums for members, spouses and dependants.

## Voluntary extended health care (EHC) and dental benefits

Retiring members of the Teachers' Pension Plan may apply for voluntary extended health care and dental benefits for themselves and their spouses and dependants. Coverage is provided by Green Shield Canada.

The application is included in the online retirement process and in the *Retirement Application Package* that can be mailed to members if they require a paper application. Members who apply by mail must return completed or waived forms to Teachers' Pension Plan with the rest of their retirement application documents.

For more information about the benefits themselves, see the Green Shield Canada (GSC) website at [greenshield.ca](http://greenshield.ca).

The GSC website can be accessed through the Teachers' Pension Plan website. Click on the Retired Members tab, then Health and Dental Care, and select the link titled "Extended health care and dental plan information."

# ABOUT THE PENSION

## 4.1 Eligibility for a pension

Teachers' Pension Plan rules do not require that members retire at age 65.

A member is eligible for an immediate pension when they reach age 55. Different rules apply for members who were not vested and terminated before September 30th 2015.

Refer to the Age Rules for Benefit Eligibility table in section 3.2.

A member who is eligible for an immediate pension may choose to defer starting the pension until a later date. A member who is considering deferring their pension should be advised to contact us for information.

If a member is receiving benefits from an approved group disability plan and their benefits end, they may be eligible to apply for a pension. The member has two choices:

- Receive an immediate pension (refer to Age Rules for Benefit Eligibility in section 3.2), and if their group disability benefits are reinstated by the carrier at a later date, they must notify the Pension Corporation and repay to the plan (in a lump sum), the total amount of the pension paid during the reinstated period, plus interest.
- Choose not to receive an immediate pension because they are appealing the termination of their group disability benefits. They should complete the *Termination of Group Disability Plan Benefits* form indicating they are appealing, along with their application for pension. This will determine the pension effective date if their appeal is unsuccessful.

If a member accepts a lump-sum payment to settle a group disability plan claim, the member is not eligible to receive a disability pension from the Teachers' plan. This does not affect the member's right to termination or retirement benefits.

Active members of the Teachers' plan can continue to contribute until the end of November of the year in which they reach age 71. The latest a member can begin to receive monthly pension payments is December of the calendar year in which they reach age 71.

## 4.2 Pension formula

Highest average salary (HAS) is the salary used in the calculation of a member's pension benefit. It is the average of their highest five years of annual pensionable salaries.

The Teachers' plan is a defined benefit pension plan, meaning that a member's monthly pension amount is determined by a formula. The formula is a set percentage multiplied by the member's highest average salary (HAS) and the member's pensionable service in the plan.

See section 7 for a list of pensionable salary inclusions.

Members' pensions are based on the average of their highest five salary years (HAS) and their total pensionable service.

For pensionable service earned to December 31, 2017, the pension formula is:

$$(1.3\% \times \text{HAS up to YMPE}) + (2.0\% \times \text{HAS in excess of YMPE}) \times \text{pensionable service}$$

Additionally, if a member retires before age 65, the bridge benefit (payable to the earlier of age 65 or death, whichever occurs first):

$$0.7\% \times \text{HAS up to YMPE} \times \text{pensionable service}$$

Highest average salary (HAS) is the salary used in the calculation of a member's pension benefit. It is the average of their highest five years of annual pensionable salaries. See section 7 for a list of pensionable salary inclusions.

The formula can also be expressed as:

$$2\% \times \text{HAS} \times \text{years of pensionable service less the bridge benefit of } 0.7\% \times (\text{lesser of HAS or YMPE}) \times \text{years of pensionable service.}$$

For pensionable service earned on or after January 1, 2018, the pension formula is:

$$1.85\% \times \text{HAS} \times \text{pensionable service}$$

The formula can also be described as:

$$2\% \times \text{HAS} \times \text{years of pensionable service less the bridge benefit of } 0.7\% \times (\text{lesser of HAS or YMPE}) \times \text{years of pensionable service up to December 31, 2017}$$

$$\text{Plus } 1.85\% \times \text{HAS} \times \text{pensionable service for pensionable service earned on or after January 1, 2018}$$

The pension formula gives the member a single lifetime pension amount plus the bridge benefit (service earned up to December 31, 2017).

If a member retires before age 65 with less than 35 years of contributory service, the pension may be reduced.

### 4.3 Pension options overview

The monthly pension that results from the lifetime pension formula is payable as the “normal form” of pension. The normal form of pension in the Teachers’ plan is a single life pension with no guarantee. This pension:

- is paid for the lifetime of the member,
- stops at the member’s death,
- does not carry on to another person, and
- has no minimum payment guarantee.

A plan member may choose one of the pension options, which offer different levels of guaranteed payment.

When a member selects an option other than the normal form of pension, the amount of the pension will change. In general, the longer the guarantee period, the lower the monthly pension amount. The bridge benefit does not change, regardless of the pension option selected.

**Single life pensions with a guarantee** are pensions that are payable for the life of the member and for a set guarantee period if the member dies before the end of the guarantee period. The guarantee period may be 5, 10 or 15 years. If the member dies before the end of the guarantee period, the rest of the benefit is paid to the member’s beneficiary(ies), or estate if no beneficiary exists. For more information on beneficiaries, see [tpp.pensionsbc.ca/beneficiaries](http://tpp.pensionsbc.ca/beneficiaries).

If the member dies after the end of the guarantee period, no payments are made to the member’s beneficiary(ies) or estate.

**Joint life** pensions are payable for the life of the member and the member’s spouse; if the spouse lives longer than the member, the spouse continues to receive some or all of the lifetime pension.

A member who has a spouse must select an option that guarantees at least 60 per cent of the member’s lifetime pension will continue to the spouse after the member’s death, unless the spouse waives entitlement in writing. This amount is paid as a joint life benefit.

**Temporary annuities** are temporary pension payments from retirement to age 65 or the member's death, whichever occurs first. This option provides for an increased pension from retirement to age 65 but permanently reduces the lifetime pension. The member must request this option.

A member who has a spouse must select an option that guarantees at least 60 per cent of the member's lifetime pension will continue to the spouse after the member's death, unless the spouse waives entitlement in writing.

### Choosing a pension option

Here are some things the member should consider when choosing an option:

- Does the member have a spouse?
- Does the member wish to provide a payment to their beneficiary(ies) after death?
- If the member divorces, does that former spouse have an entitlement to a portion of the pension?
- What if the member is widowed with dependent children?
- What if the member becomes ill?
- Are there other sources of retirement income?

Members can review [tpp.pensionsbc.ca/choose-your-pension-option](http://tpp.pensionsbc.ca/choose-your-pension-option), for more information on this topic.

## 4.4 Reduced and unreduced pensions

Based on the rules in effect at the time of termination of employment, the member's monthly pension amount will be reduced if the member does not meet certain age and service minimums. These reductions apply to both the lifetime and the bridge portions of the pension.

### *Service earned to December 31, 2017*

Pensions will not be reduced if:

- the member is 65 or older,
- the pension starts at age 60 with two or more years of service, or
- the member's age and contributory service add up to at least 90. (This is called the "rule of 90" or the "age plus service rule".)



If the member does not meet these conditions, the pension will be reduced by a set percentage for every year that the member is:

- under age 65 with less than two years of service,
- under age 60 with two years or more of service, or
- under the age when the member would meet the “age plus service” rule with the same amount of service,

whichever gives the member the smaller reduction.

The reduction is three per cent per year if the member terminates employment at age 55 or older and

- has ten or more years of pensionable service, and
- completed at least 10 months of pensionable service or 20 months of contributory service in the 24 calendar months immediately preceding termination of employment,

Otherwise, the reduction is five per cent per year.

### ***Exceptions***

- Up to and including Sept. 30, 2015, retired members had the option to return to work and re-enrol in the plan. In this case the member’s subsequent pension is not subject to an early reduction factor greater than the one applied to their original retirement.
- A terminated member’s deferred pension will not be subject to a reduction factor greater than the one they are entitled to at the original date of termination.

This means the monthly pension will not decrease as a result of a retired or terminated member returning to work, re-enrolling in the plan, and retiring or terminating again.

### ***Service earned on or after January 1, 2018***

Pensions will not be reduced if the member is:

- age 55 up to age 60 with at least 35 years of contributory service
- age 61 up to age 65 with at least 2 years of contributory service, or
- age 65 with no minimum contributory service requirement

Early retirement at or after age 55 will result in a reduction of 4.5% for each year the member is:

- under age 65 with less than 2 years contributory service
- under age 61 with fewer than 35 years of contributory service, and with at least 2 years contributory service

## 4.5 When a member is retiring

Members can apply for retirement through My Account. Within 90 days of their pension effective date they may request an estimate and submit an application to retire. If their retirement date is more than 90 days but less than four months in the future, or if they do not want to use My Account, the member can call the plan and request a *Retirement Planning Package and Estimate Request* to be sent by mail.

When members have not yet reached retirement age or are not sure of when they wish to retire, there are several resources available to provide them with a pension estimate (see below).

Terminated members with contributions on deposit may contact us for an estimate.

### 4.5.1 Member's Benefit Statement

We send each active member a *Member's Benefit Statement* on an annual basis. Statements can be sent to you for distribution or you can choose to have us send them directly to members.

The statement gives current and future pension estimates and gives a summary of the member's contribution and service history in the plan.

### 4.5.2 Online Pension Estimator

Members can ask you to estimate their pension or do their own estimate using the Personalized Pension Estimator available through My Account on our website. The estimator has been loaded with each member's current service and salary information. The information can be modified to create estimates for a number of different scenarios, including:

- retirement dates,
- salary, and
- service assumptions, including purchases.

Employers can use the Employer's Pension Estimator, available from the Employer Login page, to create an estimate. This estimator uses the member's Social Insurance Number, name or employee number to search for and display the member's personal information.

See section 4.6 for limitations on calculations.

#### **4.5.3 Retirement workshops**

The Teachers' plan provides workshops for members. The workshop is regularly scheduled throughout the province or may be requested by employers and employer/employee associations. Members can find a description of the workshop, the schedule and register on the plan website, [tpp.pensionsbc.ca](http://tpp.pensionsbc.ca).

All members are welcome to attend, including those receiving group disability plan benefits.

#### **4.5.4 Additional information about the pension plan**

Pension plan information can be viewed on the Teachers' plan website. Members can contact Teachers' member services with questions they may have about pensions. Please see the contact list in the front of this manual for details.

### **4.6 Retirement planning and application**

When a member is going to retire, they can access the Personalized Pension Estimator on our website. The estimator allows members to choose as many pension scenarios as they wish. The amount shown on the estimator can help the member plan their retirement, unless there are circumstances that may affect their pension (e.g., they have a marital breakdown, have received long-term disability service during their career, have service in another plan, or have more than 12 months pensionable service in a year). Members who cannot perform a calculation on the pension estimator, or who have circumstances that could affect their pension calculation (as stated above), should call and request a *Retirement Planning Package and Estimate Request* (see Retirement Planning).

Members should also be encouraged to attend a retirement workshop. Workshops are held each year throughout the province. Members can view the schedule and register on the plan website, [tpp.pensionsbc.ca](http://tpp.pensionsbc.ca).

The retirement process is two steps—**Planning** and **Application**.

**Retirement Planning**—member can log into My Account at [tpp.pensionsbc.ca](http://tpp.pensionsbc.ca) to create a pension estimate in the Personalized Pension Estimator and then apply for retirement online. If the member is unable to perform an estimate on the Personalized Pension Estimator, they should contact the pension plan.

**Retirement Application**—when the member is within 90 days of their pension effective date and applies online for retirement through My Account, they have the opportunity to request a researched estimate, explore their options and if required, contact the pension corporation prior to submitting their application.

If they are unable to access My Account or retire online, and they are within four months of their pension effective date, they may contact the plan and request a retirement application package to be mailed. The package contains a request for a research estimate that can be mailed to the plan.

When the member has decided on their exact retirement date, you will need to submit Employee Information at Termination/Retirement online. You will need to provide us with the member's termination date, group benefit cancellation dates if applicable, and the final salary, service and contribution information. You need to submit this data to the Teacher's plan within 14 days of termination or as soon as the final payroll has been completed—for employees retiring July 1, you may submit online as early as May. The salary, service and contributions reported must be the same as those that appear on the payroll report.

Remember if you have converted a member to a 12-month pay system for any period after July 1st, their pension effective date can be adversely affected. The pension plan rules state that a pension is effective the first day of the month following the month for which final payment of salary is made. For example, if 12-month conversion occurred August 1, the member

retires June 30, and receives salary for July (regardless of it being paid in the month of June), the pension will be effective August 1.

#### 4.6.1 Pension estimate

When a member applies online for retirement, they will be provided with a researched *Pension Estimate* from us. The estimate gives them the estimated monthly pension amount payable under the various pension options.

These options apply to the lifetime pension only, and do not affect the bridge benefit.

#### 4.6.2 Standard pension options

##### *All members*

- **Single life pension, no guarantee (normal form):**  
A pension that is payable as long as a member lives. Gives the highest possible monthly lifetime pension payment. No payments or group benefit coverage will continue to their spouse, beneficiary(ies) or estate after the member's death. Payments stop at the end of the month in which the member dies.
- **Single life pension guaranteed 5 years:** A pension that is payable for as long as a member lives. If the member dies before the completion of 60 payments (five years), the rest of the benefit is paid to the member's beneficiary(ies), or estate if no beneficiary exists. For more information on beneficiaries, see [tpp.pensionsbc.ca/beneficiaries](http://tpp.pensionsbc.ca/beneficiaries).
- **Single life pension guaranteed 10 years:** A pension that is payable for as long as a member lives. If the member dies before the completion of 120 payments (ten years), the rest of the benefit is paid to the member's beneficiary(ies), or estate if no beneficiary exists. For more information on beneficiaries, see [tpp.pensionsbc.ca/beneficiaries](http://tpp.pensionsbc.ca/beneficiaries).
- **Single life pension guaranteed 15 years:** A pension that is payable for as long as a member lives. If the member dies before the completion of 180 payments (15 years), the rest of the benefit is paid to the member's beneficiary(ies), or estate if no beneficiary exists. For more information on beneficiaries, see [tpp.pensionsbc.ca/beneficiaries](http://tpp.pensionsbc.ca/beneficiaries).

In addition to the lifetime pension option chosen, the member receives a bridge benefit on pre-2018 service that is paid until the member reaches age 65 or dies, whichever occurs first. The bridge benefit always stops when the member dies.

### *Members with a spouse*

A member who has a spouse must select an option that ensures a minimum of 60 per cent of the lifetime portion of the pension will go to the spouse on the plan member's death, unless the spouse waives this right.

A member who has a spouse must select an option that ensures a minimum of 60 per cent of the lifetime portion of the pension will go to the spouse on the plan member's death, unless the spouse waives this right.

- **100 per cent joint life pension (JL):** 100 per cent of the lifetime pension amount is payable for the life of the member and then for the lifetime of the surviving spouse. The pension stops being paid after the death of the last survivor.
- **80, 60 or 40 per cent joint life (JL) pension guaranteed 10 years:** The member receives the lifetime pension amount for his or her lifetime. If the member dies before the guarantee period expires, the surviving spouse will continue to receive 100 per cent of the member's lifetime pension amount until the guarantee period has expired. Then the pension is reduced to the proportion the member selected at retirement (80, 60 or 40 per cent). If the member dies after the guarantee period has passed, the pension payable to the surviving spouse is reduced immediately to the proportion the member selected at retirement (80, 60 or 40 per cent of the member's lifetime pension amount).
- **80 or 60 per cent joint life (JL) pension guaranteed 15 years:** The member receives the lifetime pension amount for his or her lifetime. If the member dies before the guarantee period expires, the surviving spouse will continue to receive 100 per cent of the member's lifetime pension amount until the guarantee period has expired. Then the pension is reduced to the proportion the member selected at retirement (80, 60 or 40 per cent). If the member dies after the guarantee period has passed, the pension payable to the surviving spouse is reduced immediately to the proportion the member selected at retirement (80, 60 or 40 per cent of the member's lifetime pension amount).

Members may also request additional pension options for consideration, including:

- different combinations of single or joint life options with temporary annuities,
- percentages for the JL pension other than 80, 60 or 40 per cent, and
- no guarantee or a 5-, 10-, or 15-year guarantee on the JL pension.

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**EXAMPLE**

A member may choose a 50 per cent JL pension with a 15-year guarantee.

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#### 4.6.3 Nomination of beneficiary

A beneficiary nominated for pre-retirement death benefits will not automatically become a beneficiary for the pension.

The nomination of beneficiary(ies) at retirement is separate from any pre-retirement beneficiary nomination (see section 1, page 8) the member may have made with respect to pre-retirement death benefits. A beneficiary nominated for pre-retirement death benefits will not automatically become a beneficiary for the pension.

If a member chooses a joint life (JL) option, including combination joint life guarantee options (JLCD), the beneficiary must be the spouse, although the member can nominate an alternate for the guarantee portion in case the spouse dies before the member. See [tpp.pensionsbc.ca/death-and-your-pension](http://tpp.pensionsbc.ca/death-and-your-pension) for more information.

If the spouse has waived their right to 60 per cent of the pension and the member has selected a single life option, then the spouse is the beneficiary during the guarantee period unless stated otherwise on the waiver form. If the spouse allows the member to nominate another beneficiary(ies), the member may change the nomination at any time prior to their (member's) death or the end of the guarantee period.

If the member does not have a spouse and chooses a single life guarantee option, they can change the nomination at any time up to the end of the guarantee period or the member's death, whichever is sooner. If the member selects a single life pension no guarantee, then there is no beneficiary because all payments and group benefit coverage will cease upon death.

Pension options with guarantee periods (as described above), whether chosen as single life pensions on their own or as part of a joint life contributor death option, provide that a benefit be paid after the member's death.

At the time the benefit is to be paid, we will require:

- the Social Insurance Number and date of birth of any person beneficiary, and
- the CRA registration number of any beneficiary that is an organization.

#### 4.6.4 Automated Direct Deposit System

Pension payments are deposited directly into the member's bank account if the member lives in Canada or the U.S. Direct deposit of pension payments to banks outside of Canada or the U.S. is not possible.

The accuracy of the member's banking information is critical in ensuring that pensions are paid on time.

The accuracy of the member's banking information is critical in ensuring that pensions are paid on time.

The deposit information is provided by the member in the "Direct Deposit for Pensions Paid Within Canada" section of the *Pension Application* form or on the *U.S. Direct Deposit Authorization* form available at [tpp.pensionsbc.ca/apply-for-direct-deposit-to-a-u.s.-account](http://tpp.pensionsbc.ca/apply-for-direct-deposit-to-a-u.s.-account). If the pension payment is to be deposited to an account on which cheques can be issued, a sample cheque should be attached and clearly marked "VOID" on the face of the cheque.

If a voided cheque is not provided or the payment is to be deposited to a U.S. account, the member must take the application form to their bank and have a bank official verify/complete the banking data before submitting the application.



## 4.7 To start the pension

Pensions are not paid for partial months.

Once a member is within 90 days of their actual retirement date they should log into My Account and apply for retirement online or complete and sign all the forms in their retirement application package. Members should submit the *Pension Application* and forms only if they are definitely retiring.

We recommend the member's last paid day be as close to the end of a month as possible because pension entitlement begins the first of the month following the last paid day. Pension payments are normally deposited two banking days before the end of the month.

Select the EITR Submitted Report to view all the member information you have submitted within a specific time frame.

You must submit Employee Information at Termination/Retirement online within 14 days of termination or as soon as the final payroll has been completed—for employees retiring July 1, you may submit online as early as May. Sign in to the Employer Login section of the website; select Employer Reporting and then select Employee Information at Termination/Retirement. Follow the prompts to enter the data.

If you determine that the data needs to be amended, you will need to complete and send the Amended Employee Information at Termination/Retirement form as soon as possible. This form is available in the Employer Forms section on the web.

We will not accept forms if they are dated more than 90 days before retirement.

All other forms in the package can be submitted directly to the corporation by the member, or you can forward all forms on the member's behalf.

If completing a paper application, the member must sign the *Pension Estimate* and *Spousal Declaration* forms and return them to us. The *Spousal Declaration* must be signed and dated no earlier than 90 days prior to the member's pension effective date.

The member's pension is effective the first day of the month following their final paid work day, or the first day of the month in which we receive their completed application package, whichever is later. However, if application is made in September or August and the member has not been engaged as an employee during either month, the pension may be granted on the first day of July immediately before the date of application.

## 4.8 After the pension starts

### 4.8.1 Changing the pension option

Members may be able to change their pension option by informing the Teachers' plan, in writing, within 60 days of the date their pension is granted.

Members may be able to change their pension option by informing the Teachers' plan in writing, within 60 days after their pension has been granted. After that time, the pension option selected is irrevocable. The date a pension is granted is the later of:

- the effective date of the pension, or
- the date of the letter advising the member of their final pension amounts.

Members can contact the plan if they have questions about changing their pension option.

### 4.8.2 Cost-of-living adjustments (“indexing”)

Once a pension starts, it may be increased each year to adjust for cost-of-living increases; however there is no guarantee an increase will be granted.

Each year, the Teachers' Pension Board of Trustees considers relevant factors to determine if a cost-of-living adjustment will be provided. Traditionally, cost-of-living adjustments have been for the full Consumer Price Index (CPI) increase each year, however there is always potential for a less-than-full CPI increase.

To receive a cost-of-living adjustment, members must be age 56 or older. Members who are 55 when they retire will receive their first adjustment starting January of the year after they turn 56.

The additional amount starts with their January payment and becomes part of their regular guaranteed pension payment. For members who retire part-way through the year, and are 56 or older, the adjustment will be pro-rated over the number of months in the year that they receive a pension.

The board compares the CPI for September of the current year with September of the previous year. If the CPI shows a drop or doesn't change (i.e., the cost of living decreased or remained the same), pension payments will not change.

Adjustments are applied to both the lifetime portion of a member's pension payment, the bridge benefit and Temporary Annuity, if selected.

The age restriction does not apply to pre-retirement death, disability or deferred pensions.

#### **4.8.3 Income tax**

Pensions are taxable. We will deduct income tax based on the pension amount we pay the member. If the member has other sources of income, it's their responsibility to ensure they pay sufficient income tax. The member may choose to complete a TD1 or TD1BC to have additional tax deducted or to claim additional tax credits.

Retired members should contact Pension Services if they need more information.

#### **4.8.4 Changes to pensions in pay**

Any time the amount of a pension payment changes (e.g., indexing is applied, the member turns 65 and the bridge benefit stops, income tax changes), we will send a pension statement letter to the member notifying them of the change. We also send a pension statement letter to members each January and July.

#### **4.8.5 Retroactive pay after retirement**

Plan members can request to have retroactive salary paid after retirement treated as pensionable earnings. We will not amend a pension where the additional contributions are less than \$100 because of the insignificant impact on the pension created by the additional salary. Before automatically deducting contributions, you should ask the member if they want it treated as pensionable salary.

If contributions are deducted, the salary and contribution information should be reported on your annual *Payroll Report*. See section 7 for reporting instructions.

As with regular reports and remittances, do not deduct pension contributions from non-pensionable salary, such as payment in lieu of vacation or for overtime (see section 7). Contact us if you have questions concerning these payments and deductions.

## 4.9 Other retirement income

Remember, if the member has other sources of income, it's their responsibility to ensure that they pay sufficient income tax.

The Teachers' plan is only one source of retirement income. Plan members may also have retirement income from other pension plans, income from personal retirement savings such as RRSPs or other investments, and income from federal government pension plans—the Canada Pension Plan (CPP) and Old Age Security (OAS).

Payments of other types of retirement income do not affect the payment of pensions from the Teachers' plan.

### 4.9.1 Canada Pension Plan

The Canada Pension Plan is a pension plan administered by the federal government that is designed to replace a portion of employment income in case of retirement, death or disability. Most working Canadians contribute to the Canada Pension Plan on employment income up to the YMPE.

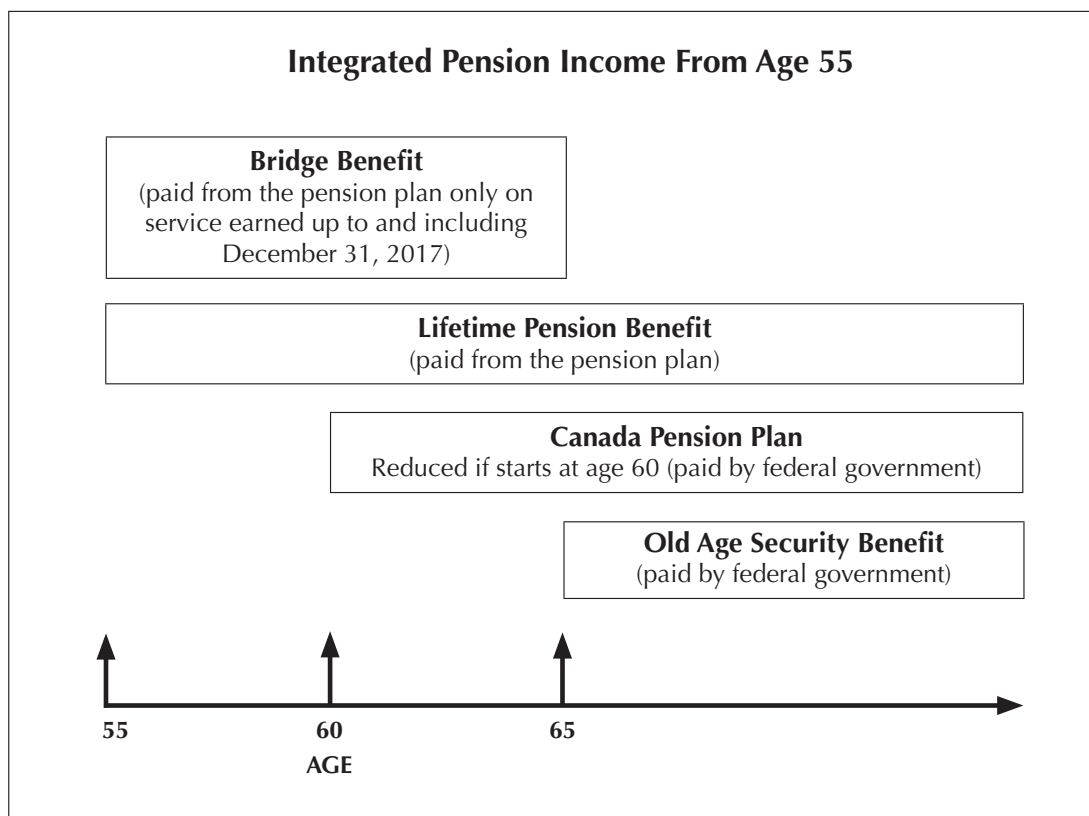
Benefits may be payable from age 60 if the member is no longer a contributor to the Canada Pension Plan. Benefits will be reduced if the member starts receiving them before reaching age 65.

### 4.9.2 Old Age Security

Old Age Security (OAS) is a federal income security program that provides basic pension income to all people who meet the residency requirements, starting at age 65. Other benefits may be available to low-income earners, including the Guaranteed Income Supplement and the Allowance as early as age 60.

### 4.9.3 Applying for federal pensions

Members must apply to Service Canada for CPP and OAS benefits—the benefits will not be paid unless the member applies. See Service Canada under Pensions in the blue pages of the phone book, or check their website at [servicecanada.gc.ca](http://servicecanada.gc.ca). Members can apply up to 12 months before their 65th birthday. Anyone over age 65 should apply immediately so as not to lose any benefits.



### 4.10 Early Retirement Incentive Program (ERIP)

To ease workforce adjustments such as downsizing or re-organizing, you can elect to pay the extra cost of offering employees early retirement incentives. These incentive packages may include special arrangements for altering eligibility for unreduced pensions. Please note that plan members can never start their pension before their earliest retirement age. See our website for further information. When you are ready, you can contact the director of the Teachers' plan to discuss details.

## Types of Pension Summary

TYPES OF PENSION	PAID FOR MEMBER'S LIFE?	PAID AFTER MEMBER'S DEATH?	EARLY RETIREMENT REDUCTION APPLIES?	RECEIVES COST OF LIVING ADJUSTMENT?
Single life pension, no guarantee (“normal form”)	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>
Single life pension guaranteed 5-, 10-, or 15 years	<b>Yes</b>	<b>Yes</b> if member dies before the end of the guarantee period. <b>No</b> if member dies after the end of the guarantee period.	<b>Yes</b>	<b>Yes</b>
Joint life pension 100%	<b>Yes</b>	<b>Yes</b> if the spouse is living. <b>No</b> if the spouse is deceased.	<b>Yes</b>	<b>Yes</b>
Joint life pension 60%, no guarantee (or any percentage lower than 100%)	<b>Yes</b>	<b>Yes</b> if the spouse is living, paid at the percentage selected. <b>No</b> if the spouse is deceased.	<b>Yes</b>	<b>Yes</b>
Joint life pension less than 100%, guaranteed 5-, 10-, or 15 years	<b>Yes</b>	<b>Yes</b> if the spouse is living or if the member dies before the end of the guarantee period. <b>No</b> if the spouse is deceased and the member dies after the guarantee period expires.	<b>Yes</b>	<b>Yes</b>
Temporary Annuity	<b>No</b> (paid to the earlier of the member's reaching age 65 or death).	<b>No</b>	n/a	<b>Yes</b>
Bridge Benefit	<b>No</b> (paid on pre-2018 service to the earlier of the member's reaching age 65 or death).	<b>No</b>	<b>Yes</b>	<b>Yes</b>

## Retirement checklist

### Did you tell the member to...

- Go to My Account and apply for retirement online or contact the Pension Corporation for a researched estimate and retirement application package?
- Apply to purchase or transfer their service, if they wish to do so? Remember that members must apply before they retire.
- Provide us with proof of age and identity documents?
- Use the Online Pension Estimator to calculate an estimate of their pension?
- Consider attending a retirement workshop?

### Did you remember to...

- Check that the member's last paid day is as close to the end of the month as possible?
- Check whether the last day worked is the same as the last day paid?
- Submit Employee Information at Termination/Retirement online to us on or just before the member's last day? We will happily accept this data up to 60 days before retirement for July 1 retirement dates. When submitting this data, please be sure to indicate if the member received paid sick leave from a third party in the current year (for example, from the B.C. Teachers' Federation).
- Send us an *Amended Employee Information at Termination or Retirement* form as soon as possible if the member's service or salary changes from what you reported in the original form?

