

# University of Windsor Pre-Retirement Seminar

**Welcome !**



# Presentation Overview

- Sources of Retirement Income
- Types of Pension Plans
- Plan Definitions
- Faculty Pension Plan
- Income Tax Act maximum MGB pension limits
- Life as an Active Member
- Article 47 – Resignations / Retirement
- Normal Retirement
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...continued on next slide



# Presentation Overview

- Sample Pension Quotes
- Spousal Pension Rights
- Survivor Options
- Indexing of Monthly Pensions
- Net Replacement Ratio
- Terminating Membership
- Active Faculty and Librarian Benefits
- Benefits after retirement
- Benefit options and premiums for faculty retirees
- Group Health Care Plan for Retired Members Premium Subsidy



# Faculty Plan – Pensions 101



# Sources of Retirement Income

- Main Government Plans
  - Recommend application period 6 months prior
  - Refer to OAS/ CPP reference guide

## **2024 Canada Pension Plan (CPP) → \$16,375.20 annual maximum**

- \$1,364.60 monthly maximum
- \$831.92 average amount for new beneficiaries as of January 2024
  - Must be applied for, retroactive payments can be made for a maximum of 12 months

## **2024 Old Age Security (OAS) → \$ 8,560.08 (65-74) / \$ 9,416.04 (75+) 2<sup>nd</sup> Q maximum**

- \$713.34 / \$784.67 per month regardless of marital status
  - Must be applied for, retroactive payments can be made for a maximum of 11 months
  - Based on years of residence in Canada. Updated every quarter.
  - Income based – claw back applicable from \$81,761 in 2022. Income limit \$133,527
  - In July 2022, OAS permanently increased by 10% for seniors aged 75 and over

## **2024 Guaranteed Income Supplement → \$1,065.47/month (12,785.64 annual) Single, Widowed, Divorced**

- Allowance for spouses/survivors
- Company Pension Plans
- Personal Savings & RRSP's



# Types of Pension Plans

- Defined Benefit Plans (DB)
  - Benefit is defined by a formula
  - Pension at retirement is always known
  - Benefit entitlement paid subject to maximums (\$3,610.00 for 2024)
- Defined Contribution Plans (DC)
  - Contributions are defined by a formula
  - Pension at retirement is unknown
  - Plan contributions subject to annual maximums (\$32,490 for 2024)
- Hybrid Plan – a combination of DB and DC
  - Attempts to provide the best of both worlds
  - Primarily a DC plan with a DB minimum guarantee (safety net).



# Faculty Pension Plan

- **Hybrid Pension** – Two Components comprised of a
  - Money Purchase (MPP) (Defined Contribution)

## PLUS

- Minimum Guarantee (MGB) (Defined Benefit)
- You will always receive at a minimum the value of the MGB benefit



# Faculty Pension Plan

- **Money Purchase Pension (Defined Contribution)**
  - 9% Member Contribution effective July 1, 2016
  - PLUS 6% University Contribution credited to individual member accounts along with fund rate of return
  - Money Purchase Pension (MPP), payable monthly at retirement in the form of a variable annuity – subject to positive / negative rates of return
  - $MPP = \frac{\text{Total MPP Account at Retirement}}{\text{Actuarial Annuity Factor}}$

Actuarial assumptions include mortality, retirement age, and spousal age.





# Faculty Pension Plan

## Additional Voluntary Contributions (closed program)

- Held in a separate account
- Lump sum payment in cash or RRSP transfer **OR**
- Additional monthly pension provided by the lump sum above using the Actuarial Basis in effect at time of retirement
- Pension paid separately, treated the same as the MPP pension

## Former employer transfers

- Treated as Additional Voluntary contributions above
- No impact on your MPP or MGB benefits
- Pension paid separately, treated the same as the MPP pension

## Past Service Buybacks

- Defined Benefit MGB service only – does not affect MPP pension
- Certain restrictions apply
- Same indexing provision as MGB benefits



# Faculty Pension Plan

- **Minimum Guarantee Benefit (Defined Benefit)**

- 1.5% of Best Average Earnings (BAE48) up to Final Average YMPE (FYMPE48)

**PLUS**

- 2 % of BAE48 above FYMPE 48

Multiplied by

- Years (and part years) of Pensionable Service in the plan

The Minimum Guarantee Benefit is funded solely by the University. As of the July 1, 2023 Valuation the MGB funding rate is 3.30% of salary.



# Plan Definitions

- BAE = Best Average Earnings = Highest 48 months of pensionable earnings (not necessarily consecutive) annualized, prior to retirement.
- Earnings = Member's basic salary, excludes overloads, allowances, bonuses or stipends, extramural etc.
- YMPE = Year's Maximum Pensionable Earnings in effect under the Canada Pension Plan.
  - (2024 = \$68,500) (2023 = \$66,600) (2022 = \$64,900) (2021 = \$61,600)
- FYMPE = Average of YMPE during same period used to determine your BAE.



# Faculty Plan – Maximum Limits

- CRA limit on amounts that can be paid from a defined benefit provision of a pension plan. The increase from year to year is indexed to the Average Industrial Wage (A.I.W)
- Year 2024 → \$3,610.00 per year of pension service
- Year 2023 → \$3,506.67
- Year 2022 → \$3,420.00
- Example: Retire in 2024 →  $\$3,610.00 \times 30 = \$108,300.00$  (BAE > \$196,543.50)  
Retire in 2023 →  $\$3,506.67 \times 30 = \$105,200.10$  (BAE > \$190,783.50)

This provision applies only to the MGB pension, not the MPP Pension. The MPP pension was limited by the annual contribution limits being applied to your account over your working career.



# Life as an Active Member

- Automatic membership for full time Faculty and Librarians, Limited Term Appointments and Sessional Lecturers. Optional for Sessional Instructors.
  - Limited Term Appointments have the option to decline membership but, administrative they are enrolled automatically unless they provide direction otherwise
- Once a member you may not opt out. Enrolment is normally first of month after hire.
- Special rules for certain types of leaves.
- Pensionable earnings, service and contributions recorded monthly.
- Annual Pension Statement – within 6 months of plan year end.
- Access to the University of Windsor Pension Planner (Seclon).



## Terminating in lieu of Retiring

- **Termination Benefit is the Greater of:**
  - Money Purchase Component Account balance to-date
  - Commuted value of Minimum Guaranteed Pension earned to-date
- **Transfer Options:**
  - Transfer termination benefit to a locked-in vehicle
  - Leave benefit in plan for deferred pension at a future retirement date (no later than Normal Retirement Date)
- **In Lieu of Pension, Members MAY transfer entitlements from plan**
- ***A transfer can take place prior to the end of your 71<sup>st</sup> year.***
  - Considered a termination, not a retirement
  - May have preferable survivorship options
  - Forfeit Minimum Guarantee Benefit and lifetime pension indexing rights
  - Higher investment fees, potentially greater investment risk to member
  - Forfeit any future Pension Surplus sharing
  - Forfeit rights to Green Shield benefits (both University paid and retiree paid).
  - Forfeit rights to Faculty Retiree Group Health Care Plan Subsidy
  - In most cases, part of the entitlement must be paid in cash, less tax or transferred to an RRSP if member has sufficient room



## **ARTICLE 47 – RESIGNATIONS / RETIREMENT**

- 47:01 A member may terminate her/his employment by resignation or retirement normally, with six (6) months written notice to the Provost, only on December 31 or June 30 of the academic year.
- 47:02  
(c) By mutual consent of the member and the University, a member may retire at any time during an academic year following her/his fifty-fifth (55<sup>th</sup>) birthday.
- 47:03 A faculty member who has been assigned a teaching load in a summer semester may terminate her/his employment by resignation or retirement on the following dates only: December 31, April 30 or August 31 with six (6) months written notice.

### **NORMAL RETIREMENT DATES**

- Age 65 to receive an unreduced pension.
- Faculty, Librarians and Sessional Lecturers/Instructors hired after Sept. 1, 1975 → July 1st after 65th birthday
- Non faculty members → 1st of the month following the 65th birthday



# Faculty Pension Plan - Early Retirement

- By mutual consent of the Member and the University you may retire within 10 years of your Normal Retirement Date. There is no minimum service credit requirement.
- You will receive the greater of your:
  - Money Purchase Account – based on account balance at early retirement, converted to a monthly pension
  - Minimum Guarantee Pension, reduced by an actuarial equivalent reduction before being compared to the MPP. This is to account for the early commencement of the pension and that it will most likely be payable longer.
    - Usually a 6% to 7% reduction per year away from your NRD

– Sample reductions	<u>Age</u>	<u>Reduction</u>
	55	70%
	60	35%
	62	21%





# Steps to Retiring Early or at Normal Retirement

- If contemplating Early Retirement, (minimum age 55) at your request, a quote can be prepared at any time.
- In January in the year of your Normal Retirement Date, a letter is sent asking for your intention to retire. Quote is prepared if requested.
  - Quote uses estimated final year earnings, contributions and fund returns.
- Member should provide notice to the Provost in accordance with Article 47. It is helpful to also review upcoming retirement with Department Head, for planning purposes.



# Steps to Retiring Early or at Normal Retirement

- Two months prior to your retirement date, member (and spouse if applicable) will meet with the Pension Administrator to choose the pension option and complete all paperwork.
- Official last day is the last working day of the month.
- A final pension calculation is done at plan year end. Retro active adjustments paid if necessary.
- Paid by direct deposit, first day of every month.
- Monthly pensions are paid by the Northern Trust Company of Canada.



# Faculty Pension Plan – Postponed Retirement

- Members can continue working beyond your Normal Retirement Date (NRD) with continued plan participation (maximum to end of year age 71)

You will receive the greater of your:

- Money Purchase Account – based on account balance at postponed retirement commencement, converted to a monthly pension
- Minimum Guarantee Benefit calculated as at retirement date
- FAE and credited service calculated as at retirement date

In January in the year of your Normal Retirement Date, a letter is sent asking for your intention to retire.

If desired a NRD and a postponed retirement quote is prepared

- Quote uses estimated final year earnings, contributions and fund returns
- Contributions continue, along with increased earnings and service accruals



# NRD 2025 Pension – MGB payable

- Date of retirement = July 1, 2025 (age 65)
- Pensionable Service = 20.9504 years
- Best average earnings = \$154,675.50 (highest 48 months)
- Final average YMPE = \$66,476.56
- MPP Account Balance = \$524,247.84
- Actuarial annuity factor = 11.5007200 (age, spousal age, mortality)
  
- **MPP** =  $\$524,247.84 / 11.5007200 = \$45,583.91$  per year
  
- **MGB** =  $20.9504 \times [(0.015 \times \$66,476.56) + (0.02 \times (\$154,675.50 - \$66,476.56))] = \$57,846.74$
  
- ❖ 2025 Limit (assumed) = **\$77,893.59** ( $\$3,718 \times 20.9504$ )  
\*limit higher than MGB so no impact

## Therefore...

- MPP payable at retirement = **\$45,583.91** per year (\$3,898.66 month)
- **PLUS MGB Supplement** = **\$12,262.83** per year (\$1,021.90 month)
- = Total annual pension of **\$57,846.74** (\$4,820.56 month)



# NRD Monthly Pension Options

## MONTHLY PENSION SUMMARY OPTIONS

Form	Joint & 60% Survivor *	Joint & 66.67% Survivor Guar.5	Joint & 75% Survivor	Joint & 100% Survivor	Life Only	Life & Guaranteed 5 year (Normal Form)	Life & Guaranteed 10 year	Life & Guaranteed 15 year
MGP	\$4,722.33	\$4,685.18	\$4,687.18	\$4,629.75	\$4,868.34	\$4,820.56	\$4,699.25	\$4,529.18
MPP	\$3,721.25	\$3,691.98	\$3,693.56	\$3,648.30	\$3,836.31	\$3,798.66	\$3,703.07	\$3,569.05
SUPP	\$1,001.08	\$993.20	\$993.62	\$981.45	\$1,032.03	\$1,021.90	\$996.18	\$960.13
<b>PENSION</b>	<b>\$4,722.33</b>	<b>\$4,685.18</b>	<b>\$4,687.18</b>	<b>\$4,629.75</b>	<b>\$4,868.34</b>	<b>\$4,820.56</b>	<b>\$4,699.25</b>	<b>\$4,529.18</b>

\* In accordance with provincial pension benefits legislation (Ontario), the Plan provides that if you have a spouse at the time your pension commences, your pension must be payable on a joint and survivor basis where at least 60% of your initial pension benefit continues to that spouse (if living), after your death. An alternative option may be elected providing you and your spouse sign a Waiver of Joint and Survivor Pension form.



# ERD 2024 Pension – MGB payable

- Date of retirement = July 1, 2024 (age 64)
- Pensionable Service = 19.9504 years
- Best average earnings = \$153,529.75 (highest 48 months)
- Final average YMPE = \$64,175.00
- MPP Account Balance = \$500,873.49
- Actuarial annuity factor = 11.7215700 (age, spousal age, mortality)
  
- **MPP** =  $\$500,873.49 / 11.7215700 = \mathbf{\$42,730.92}$  per year (\$3,560.91 month)
  
- **MGB** =  $19.9504 \times [(0.015 \times \$64,175) + (0.02 \times (\$153,529.75 - \$64,175))] = \mathbf{\$54,858.01}$  (\$4,571.51 month)  
**Less:**  
**Early Retirement Reduction** =  $\$54,858.01 \times 92.56\% (-7.44\%) \text{ reduction} = \mathbf{\$50,776.58}$  (\$4,231.38 month)

Therefore...

- **MGB payable at retirement = \$50,776.58** per year (\$4,231.38 month)



# ERD Monthly Pension Options

## MONTHLY PENSION SUMMARY OPTIONS

Form	Joint & 60% Survivor *	Joint & 66.67% Survivor Guar.5	Joint & 75% Survivor	Joint & 100% Survivor	Life Only	Life & Guaranteed 5 year (Normal Form)	Life & Guaranteed 10 year	Life & Guaranteed 15 year
MGP	\$4,141.24	\$4,110.87	\$4,110.56	\$4,060.44	\$4,268.66	\$4,231.35	\$4,134.26	\$3,997.88
MPP	\$3,485.08	\$3,459.53	\$3,459.27	\$3,417.08	\$3,592.32	\$3,560.91	\$3,479.21	\$3,364.43
SUPP	\$656.16	\$651.34	\$651.29	\$643.36	\$676.34	\$670.44	\$655.05	\$633.45
<b>PENSION</b>	<b>\$4,141.24</b>	<b>\$4,110.87</b>	<b>\$4,110.56</b>	<b>\$4,060.44</b>	<b>\$4,268.66</b>	<b>\$4,231.35</b>	<b>\$4,134.26</b>	<b>\$3,997.88</b>

\* In accordance with provincial pension benefits legislation (Ontario), the Plan provides that if you have a spouse at the time your pension commences, your pension must be payable on a joint and survivor basis where at least 60% of your initial pension benefit continues to that spouse (if living), after your death. An alternative option may be elected providing you and your spouse sign a Waiver of Joint and Survivor Pension form.



# Postponed 2026 Pension - MGB payable

- Date of retirement = July 1, 2026 (age 66)
- Pensionable Service = 21.9504 years
- Best average earnings = \$155,443.25 (highest 48 months)
- Final average YMPE = \$ 68,436.60
- MPP Account Balance = \$547,622.19
- Actuarial annuity factor = 11.2753600 (age, spousal age, mortality)
  
- **MPP** =  $\$547,622.19 / 11.2753600 = \mathbf{\$48,568.04}$  per year
- **MGB** =  $21.9504 \times [(0.015 \times 68,436.60) + (0.02 \times (\$155,443.25 - \$68,436.60))] = \mathbf{\$60,729.71}$
  
- ❖ 2026 Limit (assumed) = **\$81,618.17** ( $\$3,718.30 \times 21.9504$ )

## Therefore...

- **MPP** payable at retirement = **\$48,568.04** per year (\$6,801.51 month)
  - **PLUS MGB Supplement** = **\$12,161.67** per year (\$1,013.47 month)
- = Total annual pension of **\$60,729.71** per year (\$5,060.81 month)





# Postponed Monthly Pension Options

## MONTHLY PENSION SUMMARY OPTIONS

Form	Joint & 60% Survivor *	Joint & 66.67% Survivor Guar.5	Joint & 75% Survivor	Joint & 100% Survivor	Life Only	Life & Guaranteed 5 year (Normal Form)	Life & Guaranteed 10 year	Life & Guaranteed 15 year
MGP	\$4,963.19	\$4,921.38	\$4,926.24	\$4,865.86	\$5,116.73	\$5,060.81	\$4,921.52	\$4,725.60
MPP	\$3,969.27	\$3,935.83	\$3,939.71	\$3,891.42	\$4,092.05	\$4,047.34	\$3,935.94	\$3,779.25
SUPP	\$993.92	\$985.55	\$986.53	\$974.44	\$1,024.68	\$1,013.47	\$985.58	\$946.35
<b>PENSION</b>	<b>\$4,963.19</b>	<b>\$4,921.38</b>	<b>\$4,926.24</b>	<b>\$4,865.86</b>	<b>\$5,116.73</b>	<b>\$5,060.81</b>	<b>\$4,921.52</b>	<b>\$4,725.60</b>

\* In accordance with provincial pension benefits legislation (Ontario), the Plan provides that if you have a spouse at the time your pension commences, your pension must be payable on a joint and survivor basis where at least 60% of your initial pension benefit continues to that spouse (if living), after your death. An alternative option may be elected providing you and your spouse sign a Waiver of Joint and Survivor Pension form.



# Spousal Pension Rights

- Under the Ontario Family Law Act, pensions are family property and can be divided along with other family assets in the event of marriage breakdown.
- If you have a spouse, they have pension rights
- Ontario Pension Benefits Act definition of Spouse ( amended 1/1/2017)  
Married, provided the Member is not living separate and apart from the person; not married, but the Member and the person are and have been living together continuously in a conjugal relationship for a period of not less than three (3) years; or not married, but the Member and the person are living together in a conjugal relationship of some permanence and are the parents of a child, as set out in **Section 4 of the *Children's Law Reform Act (Ontario)***
- University of Windsor Faculty Plan definition of Spouse  
Married to each other, provided member is not living separate and apart from that person; or cohabitating continuously in a conjugal relationship with the Member **for at least one year**; or in a relationship of some permanence, if natural or adoptive parents of a child, both as defined in the family law act.



# Spousal Pension Rights

- Waiver of Pre-retirement Death Benefit – FSRA Form 4
- Waiver of Joint and Survivor Pension – FSRA Form 3
- To be valid, waivers must be dated and signed within 12 months of the event to trigger payment



# Faculty Pension Plan – Survivor Options

- Death before retirement – Greater of MPP account or MGB value
  - Lump sum or Spousal Monthly Pension (taxable)
- Death after Retirement – based on option chosen at retirement
  - If single at retirement **or** with spousal waiver
    - Life Only, Life 5, Life 10 or Life 15
  - If legal spouse at retirement and no spousal waiver on file
    - Joint and Survivor 60 or 66 2/3(Guar 5), 75 or 100%
- Basic pension reduced 10% - 20% to provide spousal benefit (two lives insured)
- In the absence of a valid waiver, the spouse is entitled to elect a Joint and Survivor 60% option. Spouse and member can waive 60% option for a higher J&S option, or one of the Life options by joint completion of a Form 3
- In ALL cases, options are permanent on 1<sup>st</sup> date of retirement. This is a legislated requirement.



# Faculty Pension Plan – 8 Survivor Options

## **Single Life Pension (L0)**

- Payable for your lifetime. Ceases upon your death. No beneficiary.

## **Single Life Pension – Guaranteed Five Years (L5)**

- Payable for your lifetime. If you should die prior to receipt of 60 months of pension, the balance of the remaining period paid to your beneficiary at 100%

## **Single Life Pension – Guaranteed Ten Years (L10)**

- Payable for your lifetime. If you should die prior to receipt of 120 months of pension, the balance of the remaining period paid to your beneficiary at 100%

## **Single Life Pension – Guaranteed Fifteen Years (L15)**

- Payable for your lifetime. If you should die prior to receipt of 180 months of pension, the balance of the remaining period paid to your beneficiary at 100%

Monthly pension paid to spousal and all other beneficiaries. If Estate is designated any balance owing is paid via lump sum (taxable) to the Estate.



# Faculty Pension Plan – 8 Survivor Options

## For Members with a Spouse

All Joint and Survivor Pensions paid for you & your spouse's lifetime. Upon your death, your spouse – if living – receives a monthly pension for their lifetime based on the option chosen as outlined below. If spouse pre-deceases you the pension is NOT restored.

### **Joint and Survivor Pension reducing to 60% (J&S 60%)**

- Payable for your lifetime. After your death, your spouse if living receives 60% of the monthly pension in pay at the time of your death for their lifetime.

### **Joint and Survivor Pension reducing to 66.67 (J&S 66.67% - Guaranteed 5)**

- Payable for your lifetime. If you die prior to receipt of 60 months of pension, the balance of the guarantee period paid at 100% to your spouse. Then the pension reduces to 66.67% for their lifetime.

### **Joint and Survivor Pension reducing to 75% (J&S 75%)**

- Payable for your lifetime. After your death, your spouse if living receives 75% of the monthly pension in pay at the time of your death for their lifetime.

### **Joint and Survivor Pension reducing to 100% (J&S 100%)**

- Payable for your lifetime. After your death, your spouse if living receives 100% of the monthly pension in pay at the time of your death for their lifetime.



# Faculty Pension Plan

## Indexing Monthly Pension

- Both the MPP and MGB adjusted for the September 1<sup>st</sup> pension deposit, retroactive to July 1<sup>st</sup>
- MPP adjusted by the fund rate of return less 6% with an additional adjustment for mortality experience – can increase or decrease. July 2023 adjustment was 5.62%. July 2022 was -23.81%
- MGB increase tied to the increase in the Consumer Price Index. Can range from 0% to 4%. July 2023 adjustment was 2.80%
- After the MPP and MGB have been adjusted (plus or minus), we compare the two, if MPP is lower, a supplement is added to bring the pension up to the MGB amount. This becomes the new pension payable starting at July 1<sup>st</sup>
- Indexing rights pass on to those with a Survivor pension or during a guarantee period



# Net Replacement Ratios (NRR)

- Valuable tool used to forecast retirement income
- Most people considering retirement tend to compare pre-retirement gross income to post-retirement gross income
- NRR compares pre-retirement net income to post-retirement net income
- Highlights often forgotten taxes, deductions from gross pay





<b>Net Replacement Ratio Calculation</b>			
	<b>Annual</b>	<b>Monthly</b>	
<b>Before Retirement</b>			
Gross Salary-->	209,273.22	17,439.44	used July 1, 2023 salary in this example
Income Tax	59,652.24	4,971.02	
CPP Contributions	3,867.50	322.29	max CPP contributions
EI Contributions	1,049.12	87.43	max EI contributions
Pension Contributions 9%	18,834.48	1,569.54	
Union Dues 0.985%	2,061.34	171.78	
LTD Premiums \$1.663/\$100	3,480.21	290.02	
Parking (est. \$45.72 per pay)	1,097.28	91.44	
<b>Take Home Pay</b>	<b>119,231.05</b>	<b>9,935.92</b>	2,483.98 per wk
<b>After Retirement - with 27.9504 years of pension service</b>			
Pension Plan - Life 5 normal form	100,900.92	8,408.41	
Canada Pension Plan (average)	9,983.04	831.92	
Gross Pension Income-->	<b>110,883.96</b>	<b>9,240.33</b>	
Income Tax	15,255.96	1,271.33	
Benefits (Couple, no drugs) no subsi	3,512.04	292.67	
<b>Take Home Retirement Income</b>	<b>92,115.96</b>	<b>7,676.33</b>	1,919.08 per wk
<b>Difference --&gt;</b>	<b>27,115.09</b>	<b>2,259.59</b>	564.90 per wk
<b>Gross Replacement Ratio--&gt;</b>	<b>52.99%</b>	<b>52.99%</b>	
<b>Net Replacement Ratio--&gt;</b>	<b>77.26%</b>	<b>77.26%</b>	



# Faculty Plan – Pensions 101

Thank you!



# Faculty Plan – Benefits 101



# Active Faculty, Librarians Benefit Summary

**Benefits that continue until your retirement date – meaning the date you stop working:**

- University Paid Green Shield Health / Dental / Out of Country coverage
- Life Insurance - 3 X Annual Salary – Maximum \$500,000
- Accidental Death and Dismemberment Insurance – matches Life Insurance
- Employee Assistance Program
- Short Term Disability (Full salary during 105 days of continuous disability)

(Health Care Benefits extended to qualifying sessional instructors, on a year by year basis)

**Benefits that stop at your Normal Retirement Date – even if you continue working beyond...**

- Long Term Disability – ceases at your Normal Retirement Date



# ACTIVE Faculty, Librarians Benefits

## Health & Dental benefits

– Extended Health	University Paid
– Semi Private	University Paid
– Dental	University Paid
– Vision	University Paid
– Out of Province	University Paid
– Drug	University Paid
– Employee Assistance	University Paid
– Short Term Disability	University Paid

## Insurances

– LTD (to NRD only) – tax free	Employee Paid
– Life Insurance	University Paid
– Accidental Death and Dismemberment	University Paid



# Optional Benefits before retirement

- |  |                 |
|--|-----------------|
| – Optional Life Insurance                        | Employee Paid   |
| – Optional Accidental<br>Death and Dismemberment | Employee Paid   |
| – Tuition Waiver (scholarship to dependent)      | University Paid |
| – St Denis Centre (excludes the Forge facility)  | University Paid |

## **At retirement these benefits continue**

- |  |                 |
|--|-----------------|
| – Library and Email                              | University Paid |
| – Tuition Waiver (scholarship to dependent)      | University Paid |
| – St. Denis Centre (excludes the Forge facility) | University Paid |
| – Parking (please contact Parking Services)      | Retiree Paid    |
| – Optional Life Insurance to age 70              | Retiree Paid    |



# RETIRED Faculty, Librarians, Others

**On the date you retire (cease working) these benefits end:**

- Short Term Disability
- Long Term Disability ceases on the earlier of your NRD or retirement
- Life Insurance & AD&D cease – can convert Life Insurance to a personal policy with no medical evidence
- University Paid Green Shield Health/Dental
- EAP

**Normal or Postponed Retirements (excludes Early Retirements)**

- Dental coverage – University pays 50% of dental premium
- Eligible to enroll in Green Shield Benefits Plan
- Survivors Eligible to enroll in Green Shield Benefits Plan
- Three (3) Options – Can opt in and up, cannot opt down. No opting in and out – opt out is permanent
- Eligible for Health Care Subsidy **if** enrolled in Health Care Benefits.



# Faculty Retiree Option 1 - dental only

Option 1	Single Coverage	Couple Coverage	Family Coverage
Drugs			
Dental	42.71	85.43	117.43
Semi Private			
Extended Health			
Out of Province			
<b>Monthly total</b>	<b>42.71</b>	<b>85.43</b>	<b>117.43</b>
*includes RST			

\*Rates as of May 1, 2024





# Faculty Retiree Option 2 – no drugs

Option 2	Single Coverage	Couple Coverage	Family Coverage
Drugs			
Dental	42.71	85.43	117.43
Semi Private	7.00	13.98	19.20
Extended Health	51.34	102.73	141.02
90 day Out of Province	45.26	90.53	90.53
<b>Monthly total</b>	<b>146.31</b>	<b>292.67</b>	<b>368.18</b>
*includes RST			

\*Rates as of May 1, 2024



# Faculty Retiree Option 3- all benefits

Option 3	Single Coverage	Couple Coverage	Family Coverage
Drugs	227.80	455.61	626.45
Dental	42.71	85.43	117.43
Semi Private	7.00	13.98	19.20
Extended Health	51.34	102.73	141.02
90 day Out of Province	45.26	90.53	90.53
<b>Monthly total</b>	<b>374.11</b>	<b>748.28</b>	<b>994.63</b>
*includes RST			

\*Rates as of May 1, 2024



# Faculty Retiree Option 1 – U.S Residents

Option 1	Single Coverage	Couple Coverage	Family Coverage
Drugs			
Dental	39.29	78.59	108.03
Semi Private			
Extended Health			
Out of Province			
<b>Monthly total</b>	<b>39.29</b>	<b>78.59</b>	<b>108.03</b>
*excludes RST			

\*Rates as of May 1, 2024



# Faculty Retiree Option 2 – U.S. residents

## No drug coverage

Option 2	Single Coverage	Couple Coverage	Family Coverage
Drugs	Not a benefit	NA	NA
Dental	39.54	79.10	108.73
Semi Private	Not a benefit	NA	NA
Extended Health	47.54	95.12	130.57
Out of Province	Not a benefit	NA	NA
<b>Monthly total</b>	<b>87.08</b>	<b>174.22</b>	<b>239.30</b>
*excludes 8% RST			

\*Rates as of May 1, 2024



# Faculty Retiree Option 3 – U.S. residents

Option 3	Single Coverage	Couple Coverage	Family Coverage
Drugs	210.93	421.86	580.05
Dental	39.54	79.10	108.73
Semi Private	Not a benefit	NA	NA
Extended Health	47.54	95.12	130.57
Out of Province	Not a benefit	NA	NA
<b>Monthly total</b>	<b>298.01</b>	<b>596.08</b>	<b>819.35</b>
*excludes 8% RST			

\*Rates as of May 1, 2024



# Other Non-Resident Considerations

- For those that will be living outside of Canada in retirement there are a few additional considerations:
- Taxation of Pension
  - Instead of completing a Canadian Federal and Provincial tax form (TD1s), non-residents complete a NR301 (Declaration of eligibility for benefits (reduced tax) under a tax treaty for a non-resident person)
  - If Canada has a treaty with the country the pensioner is residing in, your pension will be taxed at that rate (e.g. treaty with United States therefore, pension is taxed at 15%)
  - If no treaty exists, the standard non-resident tax rate is 25%
- Method of Payment
  - We can pay pensioners by way of direct deposit to a Canadian or United States bank account
  - Other payment options for those residing outside of Canada or the United States is by way of wire transfer or cheque



# Health Care Subsidy

- July 1, 2001 – June 30, 2004 Collective Agreement.
- Premium subsidies for Faculty Retirees enrolled in the Group Health Care Plan for Retired Members.
- Funded by the University.
- Assets invested consistent with Endowments Investment Policy.
- 3 year rolling Average Net Income to be allocated.
- Subsidy equals one year investment return divided by total participant pension service years times the individual retiree pension service years.
- Non cash subsidy, used to reduce existing monthly faculty retiree health benefit premium (Division 5231).
- Non taxable to the participant.
- Participant still pays 50% of the dental premium.
- April 30, 2023 Fund was \$5,999,763. The Account was \$1,046,746.



# Health Care Subsidy at May 1, 2024

Return period	April 30, 2022	April 30, 2023
Final Average Net Income (3 year) at:	\$348,493.74	\$477,212.78
Final Total Pension YOS used:	7,483.7934	7,358.6900
Subsidy period	May 1, 2023 to April 30, 2024	May 1, 2024 to April 30, 2025
Annual subsidy per year of service	46.57	64.85
Monthly with 25 years of service	\$97.01	\$135.10
Monthly with 35 years of service	\$135.82	\$189.15





# Thank You!

