

# Are you Planning on Retiring?

*An information booklet to  
help guide you through  
the process.*

*Information compiled by: OECTA – Waterloo Unit*

*(Current as of: 2017)*

## “Getting Ready to Retire” Checklist

	Contact OTPP <a href="http://www.otpp.com">www.otpp.com</a> to obtain a password to logon to your pension account
	Attend Retirement Planning Workshop presented by Provincial OECTA in April <i>Information Poster will come to your school.</i>
	Contact OTPP if you are eligible to buyback any leaves you might have taken
	Write letter of resignation to your employer <i>See sample letter at end of this document. Send signed paper copy to the Board, email a copy to the OECTA office</i>
	Plan to attend the June OECTA Waterloo Unit Retirement dinner! <i>Information Poster will come to your school. You will get an invitation in May if you have sent OECTA a copy of your resignation letter.</i>
	Make decision re: survivor pension and 10 year guarantee
	Logon to OTPP website to upload required documents <i>Your birth certificate, marriage license, spouse birth certificate.</i>
	Complete application for your pension at <a href="http://www.otpp.com">www.otpp.com</a>
	Attend Board retirement workshop to learn about working after retirement, gratuity payment
	Attend other workshop(s) for retiree benefits <i>Information poster for RTIP workshops will come to your school</i>
	Make decisions re: retiree health benefit coverage
	Consider joining an organization for Retired Teachers
	Decide at what age you will apply for CPP (Canada Pension Plan)
	Apply for OAS (Old Age Security) when you are eligible (65 to 67)

**Access the OTPP website and request a password to logon.**

Go to [www.otpp.com](http://www.otpp.com) and click the "member sign in" button in the upper right corner of the screen.

The Pension Calculator on the website will allow you to see the effect of any variety of timelines / contract scenarios that you wish to investigate.

Gather the following required documents well in advance to avoid delays in processing your application; birth certificate, spouse's birth certificate, marriage certificate(s), and certificate of divorce or Decree Absolute, if applicable.

**Purchase all eligible credited service in OTPP at earliest opportunity.**

Be sure that you have purchased all the credited service that you are eligible for and repay all refunds at the earliest opportunity to ensure that you have acquired maximum credited service in the Ontario Teachers' Pension Plan. Contact the OTPP for assistance.

**Write letter of resignation to your employer.**

In order to begin their pensions as of July 1, most teachers should request their boards to grant a resignation by mutual consent as of August 31 in order to remain on the Benefit plan for July and August. See the sample letters at the end of this document. Teachers normally resign from the Board on the last day of the month.

**Retirement Gratuity Information.**

Retirement gratuities qualify as retiring allowances. Retiring allowances may be transferred to an RRSP. You are allowed to transfer up to \$2,000 per calendar year of service prior to 1996 with your employer or a related employer. For example:

A teacher who worked for two different Ontario school boards from September 1970 until June 1997 has worked in 28 calendar years 26 of which are before 1996. This teacher could transfer up to 26 years x \$2,000 = \$52,000 to an RRSP.

Order Revenue Canada's booklet, *When you Retire*, for more details.

**Make decision re: survivor pension waiver.**

Unless you and your spouse opt for a 50 percent survivor pension by signing the waiver included with your pension application, your pension will be reduced to provide your spouse with a 60 percent survivor pension. Check with the Ontario Teachers' Pension Plan Board about survivor rights. This information is on the OTPP website.

**Complete your pension application.**

You cannot apply to start your pension more than four months in advance. You must have sent your letter of resignation to the Board before you can complete the pension application. Logon to the OTPP website to complete your pension application. Applications are processed in a few weeks and you will receive a letter in the mail confirming your pension amount. Your pension payments cannot begin until your application has been fully processed.

**Make decisions re: insured health benefit coverage.**

Our school board allows teachers to continue with the board's health benefits at the teacher's expense until they are 65. The school board will usually ask you to pay with post-dated cheques.

The Retired Teachers' of Ontario (RTO) and the Ontario Teachers' Insurance Plan (OTIP) each sponsor a full range of health benefits for retired teachers. The OTPP Board will deduct the premiums for RTO or OTIP benefit plans from your pension each month.

Your application for coverage will be accepted provided you apply for coverage within 60 days of:

- The effective date of your pension; or
- Coverage ceasing with your former employing school board; or
- When coverage ceased under a spouse's plan

If you apply after 60 days, you may not meet the health requirements and could find that you do not qualify for coverage.

**Join RTO (Retired Teachers of Ontario)**

RTO is the official voice of retired educators in Ontario, promoting and protecting their interests in the areas of pensions, health care and insurance. RTO works with OTF in monitoring the work of the OTPP Board. They publish a newsletter to keep you informed of issues of importance to retired teachers. In conjunction with a travel consultant, RTO provides a variety of tours and stay-put holidays for its members.

Membership in RTO is voluntary. The fee is based on your gross annual pension. The RTO fee is deducted from the pension payment in January each year.

**Do not work for a school board for more than the maximum number of days allowed.**

Many retired teachers choose to work for a school board after going on pension. This is usually supply, night or summer school teaching, but it could be any kind of work. Until age 71 you are only allowed to work in education for 50 days plus the remaining days in the month of your 50<sup>th</sup> day. If you exceed this maximum, you must start to contribute to OTPP Board and your pension will stop until you once more cease working and re-apply for your pension.

**Apply for “Early” CPP (Canada Pension Plan).**

You may apply for an early pension from Canada Pension at or after age 60 if you have wholly or substantially ceased working. Your Canada Pension benefit will be reduced for each month you are younger than age 65. When you reach 65, the OTPP will reduce your OTPP service pension using the CPP reduction formula.

This is because the Ontario Teachers’ Pension Plan and the Canada Pension Plan have an integrated contribution formula. Most retired teachers should apply for Canada Pension as soon as eligible. There is no significant financial benefit to delaying application.

**Apply for OAS (Old Age Security) or Seniors Benefit when you turn 65.**

Make a note to apply for your Old Age Security Pension or Seniors Benefit about six months before reaching age 65. They are paid in addition to CPP and your pension from the OTPP. Depending on your total income, OAS is subject to claw back (repayment) through taxation.

***OECTA does not have your pension records. Only the OTPP Board  
has these records.***

***You can check them anytime at [www.otpp.com](http://www.otpp.com) if you have a  
password!***

# Sample letter to send to WCDSB – non June retire

**Date:**

Jason Connolly  
Superintendent of Human Resources  
Waterloo Catholic District School Board  
35 Weber Street West  
PO Box 91116  
Kitchener, ON  
N2G 4G2

Dear Mr. Connolly,

I wish to inform the Board that I will be retiring as of \_\_\_\_\_ **(date)**.

Please let me know what my options are with regards to occasional teaching and my retirement gratuity.

**(Some personal comments if you wish)**

Thank you for your attention,

Sincerely,

\_\_\_\_\_  
**(Name)**

cc. Anne Vair, Manager Human Resources  
OECTA Waterloo Unit

# Sample letter to send to WCDSB – June retirement

**Date:**

Jason Connolly  
Superintendent of Human Resources  
Waterloo Catholic District School Board  
35 Weber Street West  
PO Box 91116  
Kitchener, ON  
N2G 4G2

Dear Mr. Connolly,

This is to inform you that I will be retiring to a pension on June 30, 20XX.

Please let me know what my options are with regards to occasional teaching and my retirement gratuity.

**(Some personal comments if you wish)**

Thank you for your attention,

Sincerely,

\_\_\_\_\_  
**(Name)**

cc. Anne Vair, Manager Human Resources  
OECTA Waterloo Unit

# **SAMPLE LETTER FOR OCCASIONAL TEACHER**

Jason Connolly  
Superintendent of Human Resources  
Waterloo Catholic District School Board  
35 Weber Street West  
PO Box 91116  
Kitchener, ON  
N2G 4G2

Dear Mr. Connolly,

In compliance with the requirements of the Ontario Teachers' Pension Plan Board, I would like to inform you of my intention to apply for a pension effective \_\_\_\_\_. Although I will be receiving a teacher pension, I wish to remain on the Occasional Teacher List with the Waterloo Catholic District School Board.

My retirement is based upon the understanding and agreement that the Board shall provide me with all salary, benefits due to me pursuant to The Education Act, Regulations, and the current Collective Agreement.

I would appreciate confirmation, in writing, of your acceptance of my intention and of the terms that I have stated. I also give you permission to release information that is required by the Ontario Teachers' Pension Plan Board in processing my pension.

**[You may wish to add personal comments]**

Sincerely,

\_\_\_\_\_  
*(Name)*

cc. Anne Vair, Manager Human Resources  
OECTA Waterloo Unit

## **Useful Information**

### *Phone Numbers*

#### **Ontario Teachers' Pension Board**

5650 Yonge Street  
Toronto, Ontario M2M 4H5  
1-800-668-0105  
1-416-228-5800  
FAX: 1-800-949-8208  
FAX: 1-416-730-7807  
Website: [www.otpp.com](http://www.otpp.com)

#### **OECTA Provincial**

65 St. Clair Ave. E. Suite 400  
Toronto, Ontario M4T 2Y8  
1-800-268-7230  
1-416-925-2493  
FAX: 1-416-925-7764  
Website: [www.oecta.on.ca](http://www.oecta.on.ca)

#### **OECTA – Waterloo Unit**

219 Hartwood Ave  
Waterloo, Ontario N2J 1B2  
1-519-744-8051  
FAX: 1-519-744-0911  
Website: [www.oectawaterloo.on.ca](http://www.oectawaterloo.on.ca)

#### **Ontario Teachers' Federation (OTF)**

1-800-268-7061  
FAX: 416-966-5450  
Website: [www.otffeo.on.ca](http://www.otffeo.on.ca)

#### **Ontario College of Teachers**

1-888-534-2222  
FAX: 1-416-961-8800  
Website: [www.oct.on.ca](http://www.oct.on.ca)

### *Website Links*

Elementary Teachers' Federation of Ontario (ETFO)  
– [www.etfo.on.ca](http://www.etfo.on.ca)

Association des enseignantes et des enseignants  
franco-ontariens (AEFO) – [www.franco.ca/aefo](http://www.franco.ca/aefo)

Ontario Secondary School Teachers' Federation  
(OSSTF) – [www.ossf.on.ca](http://www.ossf.on.ca)

Ministry of Education (Ontario) – [www.edu.gov.on.ca](http://www.edu.gov.on.ca)

Canada Pension Plan (CPP) and Old Age Security –  
[www.hrdc-drhc.gc.ca](http://www.hrdc-drhc.gc.ca)

Canada Customs and Revenue Agency (CCRA) –  
[www.cra-adrc.gc.ca](http://www.cra-adrc.gc.ca)

Financial Services Commission of Ontario (FSCO) –  
[www.ontarioinsurance.com](http://www.ontarioinsurance.com)

Ministry of Consumer and Business Services  
(Birth/Death/Marriage Certificates) –  
[www.cbs.gov.on.ca](http://www.cbs.gov.on.ca)

OTIP/RAEO – [www.otip.com](http://www.otip.com)

Canadian Association of Retired Persons –  
[www.fifty-plus.net](http://www.fifty-plus.net)

Canadian Snowbirds Association –  
[www.snowbirds.org](http://www.snowbirds.org)

Retired Women Teachers of Ontario – [www.rwto.org](http://www.rwto.org)

Canadian Association of Financial Planners –  
[www.cafp.org](http://www.cafp.org)

Financial Planners Standards Council (FPSC) –  
[www.cfp.org](http://www.cfp.org)

Investor Learning Centre of Canada –  
[www.investorlearning.ca](http://www.investorlearning.ca)



# Teaching After Retirement

You can return to teaching without affecting your pension, however, limits apply. You are allowed to finish teaching in the month in which you reach your 50<sup>th</sup> teaching day. When you teach more than this limit in a school year your pension will be suspended.

Remember to include paid non-teaching days (such as professional development days) when calculating your limit. Your pension will remain suspended for every month in which you teach, even if it is only for one day.

It is very important for you to keep track of the number of days you teach so you won't go over the limit. If you exceed the limit, please notify Ontario Teachers Pension Board and your employer. Once you stop teaching, notify OTPP Board in writing so they can start your pension again.

## **Designated Private Schools**

You can teach at a private school that is not part of the pension plan without affecting your pension. If you teach at one or more designated private schools the limit on the number of days you can teach a year without affecting your pension apply.

# Types of Pensions

## 1. Unreduced Retirement Pension

You qualify for an unreduced retirement pension when you have the 85 factor (age plus qualifying years equal 85), or at age 65.

Basic annual pension formula:  $2\% \times \text{credit (years)} \times \text{average "best five" salary}$

## 2. Reduced Retirement Pension

If you're not eligible for an unreduced pension by the time you want to retire, you can take a reduced pension when you are at least 50 and have two or more qualifying years of service

### Immediate reduced pension

An immediate reduced pension is when you resign from teaching and begin collecting your pension the following month. Immediate pensions are reduced by 2.5% for each point you are away from the 85 factor (or 5% per year from age 65, whichever is less).

### Deferred pension

If you do not begin collecting your pension immediately after you cease to be employed, the reduction is greater. Deferred pensions are reduced by 5% for each point you are away from the 85 factor (or 5% per year from age 65, whichever is less).

## 3. Disability Pension

You may be entitled to a disability pension if you become disabled while you are employed in education and can no longer work in any capacity, and you have at least 10 qualifying years.

Disability pension formula:  $2\% \times \text{credit (years)} \times \text{average "best five" salary}$

### Reduced Disability Pension

If you're partially disabled and unable to teach, you may take a reduced disability pension, provided you do not return to teaching. Your partial disability pension is calculated like a regular disability pension and then reduced by 2.5% for each point you're under the 85 factor or each year under age 65 (whichever is less).

# Survivor Pensions

The Teachers' pension plan has a number of survivor benefits, including survivor pensions for your spouse or dependent children. The type and amount of benefit depends on whether you die before or after retirement.

## Eligibility

Eligibility for survivor benefits is sequential: they are paid to spouses first, then children, and finally your estate. In cases of death before retirement only, designated beneficiaries may also receive entitlements.

Eligible recipients can receive benefits at any age, and benefits are paid for as long as someone is eligible. For example, if a surviving spouse dies, the pension transfers to dependent children for as long as they remain eligible.

### 1. If you die before retirement

The type and amount of survivor benefits depend on the type of survivor and your credit. A spouse you are living with at the time of death is first in-line to receive the survivor benefits. If your spouse receives a pension and later dies, the pension will continue to eligible children as long as they remain dependent.

All survivor pensions are indexed for inflation.

If you have less than 2 qualifying years, a refund of contributions plus interest are paid to your estate. The following summarizes your benefits, provided you have more than 2 qualifying years.

**Spouse** (must be living together at the time of death)

You have more than 10 qualifying years:

- based on pre-'87 service, 50% survivor pension for life
- based on post-'86 service, payment of commuted value of your pension either as a lump sum payment or an immediate or deferred indexed pension

You have less than 10, but more than 2 qualifying years:

- based on pre-'87 service, refund of your contributions plus interest
- based on post-'86 service, payment of commuted value of your pension either as a lump sum payment or an immediate or deferred indexed pension

**Dependent children** no spouse

You have more than 10 qualifying years:

- based on pre-'87 service, 50% survivor pension to a maximum age 25
- based on post-'86 service, 50% survivor pension to a maximum age 25

You have less than 10, but more than 2 qualifying years:

- based on pre-'87 service, refund of your contributions plus interest to *estate*
- based on post-'86 service, a 50% survivor pension to a maximum age 25

**Beneficiary**

- based on pre-'87 service, refund of your contributions plus interest to *estate*
- based on post-'86 service, lump sum payment of commuted value to the beneficiary

**No survivor or beneficiary**

- based on pre-'87 service, refund of your contributions plus interest to estate

- based on post-'86 service, lump sum payment of commuted value to estate

## 2. If you die after retirement

Your spouse or dependent children are eligible for a survivor pension. The amount of the pension is a percentage of what your pension would be after age 65, plus annual inflation increases.

You can also provide your survivor with a minimum 10-year pension guarantee of your pension. This benefit is provided at a nominal reduction to your pension (0.1%, or about \$35 per year for the average career teacher) and you'll need to decide to opt in before your pension begins. Teachers who have no spouse at retirement are automatically provided with a 10-year pension guarantee at no cost. For more on the 10-year pension guarantee check the OTPP website ([www.otpp.com](http://www.otpp.com))

### Spouse

To be eligible for a pension, you and your spouse must be living together when your pension starts. Even if you subsequently separate or divorce, your spouse continues to be eligible to receive a survivor pension. If you're not living together when your pension begins, your spouse is not eligible for a survivor pension.

Unless you and your spouse decide otherwise, your spouse automatically receives 60% of your teacher's pension. You can decrease your spouse's survivor pension to 50% or increase it to 75%. The increase or decrease must be arranged for *before* your pension starts.

### Children

Eligible children will receive a pension if you don't have an eligible spouse. A child's default pension is 50% of your pension; however, if you had an eligible spouse at retirement, your child's pension is the amount your spouse was entitled to receive.

### Summary of your options:

#### Automatic 60% survivor pension:

- If you do nothing, an eligible spouse automatically receives 60% of your pension after age 65
- The cost depends on the age of you and your spouse. Usually your pension is reduced about 2%. The reduction remains in effect even if your spouse predeceases you.

#### Reduce your spouse's pension to 50% of your teacher's pension at age 65:

- You and your spouse must sign a Spousal Waiver form. This can only be done within the 12-month period before your pension begins and cannot be revoked once your pension begins.
- A 50% survivor pension is free, that is, no reduction to your pension

#### Increase your spouse's pension to 65, 70, or 75% of your teacher's pension after age 65:

- You must apply at least two years before you go on pension and by age 63. If you miss the deadline, you may still be approved provided you pass a medical examination. You may revoke the increase right up until your pension begins.
- The reduction to your pension depends on the age of you and your spouse and the survivor option you chose. The reduction remains in effect even if your spouse predeceases you.

## 3. Marriage After Retirement

Whether or not you can provide a survivor pension to a new spouse (common-law or married) after you retire depends on whether you have another spouse or children eligible to receive a survivor pension. If you do not already have an eligible spouse or dependent children, you can provide a pension of 50% to 75% of your pension to your new spouse. Please contact OTPP Board at (416)

226-2700 or toll free at 1-800-668-0105 for more information as many factors affect eligibility to survivor pensions.

**Deadline**

You must complete a direction form within 90 days of when the person becomes your spouse, or 90 days of when a dependent child becomes ineligible to receive a child survivor pension. If you miss the deadline, a medical examination must show that you're in good health for your age.

# Tax Deducted from Your Pension

Depending on your situation, you may wish to increase the tax deducted from your pension to offset other income.

There are three ways to notify OTPP Board of a tax change:

TD1 form <a href="http://www.cra-arc.gc.ca/E/pbg/tf/td1/README.html">http://www.cra-arc.gc.ca/E/pbg/tf/td1/README.html</a>	Personal Tax Credits Return form also produced by Canada Customs and Revenue Agency, but more general than the TD3
Personal Letter	Write to OTPP Board and indicate either a dollar amount per month or the percentage of gross pension you want deducted.

TD1 and TD3 forms are available at your local Canada Customs and Revenue Agency Taxation Office.

You can also use the TD1 form to inform OTPP of any change in your deductibility status. For example, your tax status may change when you turn 65 or if you become disabled. You can notify OTPP Board any time during the year. Generally, if OTPP Board receive the form during the first half of the year, your pension will be adjusted for that month.

# How to Apply for a Pension

## Two Basic Steps to Retirement

<b>Step 1</b>	No more than four months before you plan to retire, logon to the OTPP website and follow the link to apply for your pension.
<b>Step 2</b>	When everything is ready they will send you a statement showing your final pension calculation. Your pension will be deposited into your account on the last business day of the month your pension starts.

## Retirement Checklist

To complete your file when you retire, OTPP Board may ask you to upload copies of:

- ✓ your birth certificate and your spouse's birth certificate
- ✓ your marriage certificate or declaration of common-law relationship sworn before a lawyer
- ✓ your certificate of divorce, Decree Absolute or separation agreement

Substitutes for a birth certificate (only if one does not exist or cannot be obtained): proof of Canadian citizenship, your Canadian passport, your baptismal certificate, an affidavit regarding the entry of your birth date in the family bible, affidavit by a parent or older sibling stating your date of birth, notice from an insurance company stating the date of birth and that they obtained proof of your birth.