

Miscellaneous Pension Matters

Retirement Seminars
2024-2025



Topics

- Purchases and Transfers
- Working in Retirement
 - General
 - Early Retirement Incentive Program (ERIP)
- Pension Indexing
- Pension Details
- Resignation Letter
- CPP and OAS Details



PURCHASES AND TRANSFERS



Purchasing TPP Service for Certain Types of Leaves

- Canada Revenue Agency (CRA) allows a limit of five (5) years total for purchases.
- However, this limit can be extended to eight (8) years if it includes maternity/parental leave.
- The leaves on the next slide may be purchased if the teacher was employed 150 days before the leave.
- A teacher must return to work for 50 days following an unpaid sick leave to purchase the service.
 - Not applicable to teachers on LTD starting on or after August 1, 2014.



Purchasing TPP Service for Certain Types of Leaves

Type of Leave	Maximum Purchasable	Cost
Maternity Leave	85 days (17 weeks)	½ Actuarial (pre-1993) Current cost (since 1993, paid while on leave)
Unpaid Sick Leave	No limit	½ Actuarial
Unpaid Study Leave	2 years	½ Actuarial
Sabbatical/Educational Leave	2 years	Current cost (paid while on leave)
Parental/Adoption Leave	175 days (per child)	Full Actuarial
Lay-off Periods	2 years	Full Actuarial
Leave of Absence	5 years	Full Actuarial
Compassionate Care Leave	26 weeks (per instance)	Full Actuarial



Re-instating Past TPP Service

- If the member withdrew their contributions from the Teachers' Pension Plan and later returns to teaching:
 - Past service can be reinstated by replacing the withdrawn contributions plus interest.
 - Must:
 - Have sufficient RRSP contribution space; and/or
 - Transfer RRSP funds to your Pension.



Transferring Service From Other Pension Plans to the TPP

- May transfer teaching service from all other provincial public sector teacher plans in Canada if contributions remain in plan(s).
- Currently, you are not able to transfer service from the Federal Superannuation Pension Plan.
- May transfer all service when employed in the Nova Scotia Public Service if person was a contributor to the Public Service Superannuation Pension Plan and has left contributions in that plan.



WORKING IN RETIREMENT



Working in Retirement

- It is not possible to receive a pension from a pension plan while also contributing to that same pension plan.
- You are required to contribute to the NS Teachers' Pension Plan if you are under the age of 71 and work in Nova Scotia:
 - As a teacher or administrator (including substitution) in a public school;
 - As a member of the Faculty or Professional Support bargaining units at the Community College; or
 - As a teacher at APSEA (including the other Atlantic Provinces).



Working in Retirement

- The NS Teachers' Pension Plan has an exemption that allows someone receiving a pension from the Plan to not make contributions as long as they work less than seventy (70) days in a school year.
 - If you work 70 days or more, your pension is stopped and is not restarted until the end of the month following the first calendar month that you do not work.
 - This is often referred to as the "69.5 day" rule.



Wait – I heard it was 119.5 days?

- Beginning in the 2018-2019 school year, the exemption was amended for the 2018-2019 and 2019-2020 school years to allow pensioners to substitute up to 99.5 days in a school year.
- The exemption was extended for the 2020-2021 through 2023-2024 school years.
- The exemption was extended for the 2024-2025 school year with an increase to 119.5 days.
- It may be extended in the future if the parties agree.



Current Exemption (expires July 31, 2025)

- Pensioner can:
 - a) Work less than 70 days a school year;
 - b) Substitute less than 120 days a school year; and
 - c) Any days under a) must be included under b).
- Potentially has a negative effect on the Pension Plan as pension contributions are not made.



Working in Retirement

- There are no restrictions to working in retirement in any job that does not require the incumbent to be a member of the NS Teachers' Pension Plan.
- However, you may wish to keep in mind any impact on your overall financial plan with respect to OAS.
 - Remember that OAS is income tested and is reduced if you earn more taxable income than a threshold amount.
 - Increased income could cause a reduction in OAS.



Early Retirement Incentive Program

- The purpose of the Early Retirement Incentive Plan is to enable teachers, **during the period of declining enrolment**, to retire earlier than they might otherwise decide.



Early Retirement Incentive Program (ERIP)

- Available through all employers.
- Mutually agreed assignment for post-retirement.
 - Usually as a substitute teacher.
- Minimum of 21 days.
- For a period of 1 to 5 years.



Early Retirement Incentive Program (ERIP)

- Paid on a daily rate of 1/195 of salary based on license and years.
- Application in writing to Regional Executive Director of Education.
- Deadline is:
 - December 31st of the school year in which the teacher plans to retire if retiring at the end of the school year.
 - 3 months prior to retirement date if retiring during the school year.



Early Retirement Incentive Program (ERIP)

- Response from employer within 2 months of application deadline.
- Member resigns from position once approved for program.
- Approval is at discretion of the employer, and not grievable, but cannot be arbitrary.



PENSION INDEXING



Pension Indexing

- For retirees since August 1, 2006, indexing is contingent on the health of the Fund:
 - Funded level of less than 90%
 - No indexing
 - Funded level of 90% to 100%
 - May be paid at the discretion of the Trustee to a maximum of 50% of CPI
 - Funded level of 100% or higher
 - Minimum 50% of CPI; Maximum of 100% of CPI to 6%
 - Payments of indexing cannot cause funded level to drop below 100%



PENSION DETAILS



Pension Details

- Check “Retirement Checklist” in *Retirement and the Teachers’ Pension Plan* Booklet for retirement procedures.
- Apply at least 3 months in advance of the date you wish to retire.
- If retiring at the end of the school year, your resignation date is June 30th.
- It may make financial sense to retire at the end of June rather than the end of September.



TPP Details

- Your teachers’ pension:
 - Is paid on the 3rd last banking day of each month.
 - Is paid by direct deposit.
 - Will have income tax deducted.
 - Will have Johnson Insurance premiums (including NSTPCU deductions) deducted.
 - Will have RTO dues deducted if you join.



RESIGNATION LETTER



Resignation Letter

- Sample wording:
 - *“Please consider this my letter of resignation, for the purpose of retirement, effective [end of month]. My professional/employee number is ?????.”*
- If you did not take the early service payout, include this sentence as well:
 - *“At this time, I am also requesting my Service Award.”*



CPP AND OAS DETAILS



Applying for Your CPP

- Your CPP retirement pension does not start automatically.
 - You must apply for it online or by submitting your application to Service Canada.
 - Recipients of a CPP disability pension will be automatically converted to a CPP retirement pension at age 65.



Applying for your CPP

- To apply for a CPP retirement pension, you must:
 - Be at least a month past your 59th birthday;
 - Have worked in Canada and made at least one valid contribution to the CPP;
 - Want your CPP retirement pension payments to start within 12 months; and
 - Complete an online application or submit a paper application to Service Canada.



CPP Post-Retirement Benefit

- If you elect to take CPP early (prior to 65) and continue to work, you are **required** to contribute to CPP until age 65.
- If you continue to work after your 65th birthday, you **may** continue to contribute to CPP until age 70.
- Additional CPP contributions go towards a post-retirement benefit.
- Post-retirement benefit begins each year following the year of contributions.



CPP Pension Sharing

- CPP pensions can be shared by spouses or common-law partners who live together.
- The total pension benefit remains the same but the distribution changes.
 - Each individual receives half of the total shareable CPP pension.
- Pension sharing may result in tax savings.
- Amount that can be shared depends on the number of months that the eligible individuals lived together during the joint contributory period.
- Both individuals must apply.
- Post-retirement benefit is not eligible for pension sharing.



Stopping CPP Pension Sharing

- Pension sharing stops:
 - The month after the month that Service Canada approves a cancellation request by both individuals;
 - The month the parties divorce;
 - The 12th month after the parties start to live separate and apart;
 - The month the party who has never paid into CPP begins paying into CPP; or
 - The month one of the parties dies.



Credit Splitting

- CPP contributions made while living together can be equally divided after a divorce or separation.
- Credit splitting can occur even if one party did not contribute to CPP.
- Credit splitting is permanent. Each party's CPP contributions are adjusted.
- Credit splitting may help with qualifying for benefits and can affect the amount of any current or future CPP benefits.



OAS Enrolment

- The month after you turn 64, you should receive from Service Canada either:
 1. A letter informing you that you have been selected for automatic enrolment; or
 2. A letter informing you that you could be eligible for the OAS pension.



OAS Enrolment

- In the case of 1, if the information in the letter is accurate and you do not wish to defer your OAS pension, you need to do nothing to begin receiving the OAS pension. If you wish to defer your OAS pension, you must inform Service Canada as noted in the letter.
- In the case of 2, you must complete the application accompanying the letter and return to Service Canada.
- If you do not receive a letter the month after you turn 64, contact Service Canada for an application package.