

# RETIREMENT AND THE TEACHERS' PENSION PLAN



*Information from the*



**Nova Scotia Teachers Union**



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 902-477-5664 (Toll Free: 1-800-565-3103)

 [www.teachersplus.ca](http://www.teachersplus.ca)

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## Retirement Checklist

1. Decide when you wish to retire.
  - a. Check with NS Pension to ensure that you are indeed eligible for retirement on the date you have chosen to retire.
  - b. Have NS Pension provide you with an estimate of how much your pension will be, both before and after age 65 when CPP integration occurs.
2. Decide whether you are interested in the Early Retirement Incentive Plan (see Appendix A in the Teachers' Provincial Agreement). You must apply to your employer no later than December 31<sup>st</sup> of the school year in which you plan to retire if leaving at end of school year or three months prior to your planned retirement date if leaving during the school year.
3. Ask NS Pension to send you an application package. (If leaving at the end of June, request this in January or February).
  - a. Always try to return your application at least three months in advance of your retirement date. (e.g., If retiring at the end of June, apply by April 1<sup>st</sup> if possible.)
  - b. Be sure to provide a copy of:
    - i. your birth certificate or passport showing your birth date;
    - ii. your marriage certificate or other evidence of relationship, if applicable;
    - iii. your spouse's birth certificate or passport showing their birth date, if applicable;
    - iv. your banking information for direct deposit of your pension payments.
  - c. A Certificate of Pension should be requested if you are planning to retire and have not yet received your Service Award. If you have not yet received your Service Award and have not received a Certificate of Pension one month prior to your retirement date, you should contact NS Pension.

4. Notify your employer of your intent to retire specifying the date that your resignation will be effective by:
  - a. April 1<sup>st</sup>, if retiring at the end of the school year; or
  - b. Three months prior to your retirement date if retiring during the school year.
5. If you have not been contacted by Johnson Inc. one month before your retirement date, call Johnson Inc. to make arrangements to continue your insurance benefits.
6. Enjoy your retirement!

## Plan Design

Your Teachers' Pension Plan (TPP) is an integrated pension plan. As such, both the contribution rates and service accrual of the TPP are structured to consider the existence of the Canada Pension Plan (CPP).

Generally, unless a member is deferring their pension, members apply for their TPP when they are stopping work. It is important to note that member who continues to work must apply for their TPP by December 1<sup>st</sup> of the year they turn 71 but is not required to resign their position.

A separate application is required to receive CPP benefits. CPP benefits can begin as early as age 60 or as late as age 70. TPP benefits and CPP benefits are paid separately.

### Contribution Rates

The integrated contribution formula is as follows:

Teachers' Pension Plan:

- On earnings up to the YMPE – 11.3%; and
- On earnings above the YMPE – 12.9%.

Canada Pension Plan:

- 5.95% of the difference between YMPE and YBE; and
- 4.00% of the difference between YAMPE and YMPE.



## Service Accrual

### Teachers' Pension Plan

- On earnings up to the YMPE
  - o Lifetime Pension – 1.3%
  - o Bridge benefit – 0.7%
- On earnings above the YMPE
  - o Lifetime Pension – 2.0%

The bridge benefit is payable from retirement until age 65. When a pensioner reaches the age of 65, the bridge benefit ceases, and the pensioner only receives the lifetime portion of their pension. Note that the bridge benefit is paid from retirement until age 65 regardless of when a retiree opts to begin receiving CPP benefits and the date a member elects to receive CPP has no effect on the calculation or payment of the bridge benefit.

### Pension Payments

You will receive your pension payments for the bridge benefit and lifetime pension from NS Pension by direct deposit to the financial institution of the pensioner's choice on the 3<sup>rd</sup> last business day of each month. You are entitled to your first pension payment at the end of the first month that you do not work any days for the employer.

## Flexible Pension Option

Members may elect to work part-time and make pension contributions to earn pensionable service equal to that earned in the previous school year. The maximum period that a member may participate in this arrangement is a total of two years during their career. The member must work at least 40% of the year and earn less money than in the year prior to entering the arrangement. The arrangement to work less time must be arranged between the member and the employer.

**If a member takes a partial year leave of absence and, consequently, will be without pay for any part of the school year, the member will be responsible to pay their own group insurance premiums.**

## Benefits Available under the Teachers' Pension Plan

### Unreduced Pension

A member is eligible to receive an unreduced pension under the TPP:

- At age 55 or older when age and pensionable service total at least 85;
- At age 60 or older with at least 10 years of pensionable service;
- At age 65 or older with at least 2 years of pensionable service; or
- With 35 or more years of pensionable service regardless of age.

An unreduced pension under the TPP is 2% of salary for each year of pensionable service to a maximum of 35 years of pensionable service ***until age 65 when the pension is reduced due to integration with CPP***. The salary used to determine pension is the average of the five highest years of pensionable income.

A maximum pension is 70% and can only be obtained with 35 years of pensionable service.

### Reduced Pension

A member may retire with a reduced pension under the TPP:

- At age 50 or older with at least 30 years of pensionable service;
  - o The unreduced pension is reduced by 5% of the lesser of the difference between:
    - The member's age and 55; or
    - The member's pensionable service and 35.
- At age 55 or older with at least 20 years of pensionable service;
  - o The unreduced pension is reduced for each month the member retires before their earliest unreduced retirement date by:
    - 0.4% for each of the first 24 months; and
    - 0.3% for each of the next 36 months.
  - o Appendix A provides the total reduction based on a member's age and years of pensionable service.

- At age 55 or older but less than age 60 with at least 2 years of pensionable service.
  - o Pension is calculated as the actuarial equivalent of the unreduced pension:
    - Payable at age 60 if the member has 10-20 years of pensionable service; or
    - Payable at the normal retirement date if the member has 2-10 years of pensionable service.
  - o Calculations for these pensions are completed by NS Pension.

### Survivor Pensions

The TPP also provides a survivor pension. When a member passes away, a survivor's pension is paid in the following order:

- First, to the surviving spouse;
- If no surviving spouse, then to surviving children under the age of 18 (or 25 if attending a post-secondary institution);
- If no surviving spouse, or surviving eligible children, then to a dependent (mother, father, brother, sister, or child of any age) who, by reason of mental or physical disability is dependent on the member at the time of the member's death.

The survivor's pension is 60%, and an additional 10% for each dependent child under 18 or up to age 25 if the child is attending a post-secondary institution) of:

- The member's pension, if the member is retired; or
- The unreduced pension the active member would have received had they retired on the date of death.

*It is important to note that the maximum total survivor's pension is 100% of the member's pension.*

### Survivor Pension Options

Members, at the time of application for their pension, may elect to retire with a reduced pension to enhance their spouse's survivor pension. Members may elect to:

- Increase the 60% survivor pension to 80% or 100%; and/or
- Provide a guarantee that 100% of their pension will be paid for 5, 10, or 15 years from their retirement date.

Once the member retires, the chosen survivor option cannot be changed.

### **Deferred Pension**

A member with two or more years of pensionable service and who has ceased to teach before becoming eligible for a pension may elect a deferred pension. The member would apply for one of the options previously described at the point in time when eligibility requirements are met.

### **Indexing**

The Teachers' Pension Plan has conditional indexing based on the funded level of the Plan:

- Funded level less than 90%;
  - o No indexing will be paid.
- Funded level between 90 and 100%;
  - o Trustee may pay up to 50% of CPI (Consumer Price Index).
- Funded level greater than 100%;
  - o Trustee shall pay up to 100% of CPI, to a maximum of 6%, provided that the payment of indexing does not reduce the funded level of the Plan below 100%.

If indexing is to be provided on July 1<sup>st</sup>, it is calculated using the average of the Consumer Price Index (CPI) for each month in the 12-month period ending on the previous April 30<sup>th</sup>.

Members in their first year of retirement receive an escalation pro-rated to the number of months they were actually retired in the preceding year.

### **Purchasing Years of Pensionable Service**

Subject to certain conditions and Income Tax Regulations limits, a member may purchase the following service:

- Unpaid Sick Leave (no maximum);
- Maternity Leave (maximum 85 days per leave);
- Adoption Leave (maximum 175 days per leave);
- Parental Leave (maximum 175 days per leave);
- Study Leave (maximum 2 years);
- Educational Leave (maximum 2 years);
- Layoff (maximum 2 years);
- Compassionate Care Leave (maximum period permitted under the *Employment Insurance Act* (Canada) for compassionate care benefits);  
or
- Unpaid Leave of absence (maximum period permitted under the *Income Tax Act* (Canada)).

Please note that periods of time on maternity, adoption, and parental leave when the member is receiving pregnancy or parental allowance from the employer and on paid Educational Leave have pension contributions deducted while on leave and consequently, will not have to be purchased to obtain the pensionable service. These periods of time are still considered for the noted maximums.

Leaves that are purchased within one year of the date that the leave ended can be purchased by paying the contributions that would have been paid, plus interest. Leaves purchased after this one-year period are charged the actuarial cost. For full details, contact NS Pension.

### **Portability/Transfer of Service**

Teaching service in other provinces of Canada and pensionable service in the Nova Scotia Public Sector Superannuation Plan is transferable to the TPP:

- (a) If pension funds are still in the other plan, an application to transfer should be sent to the pension plan of that province; or,
- (b) If pension funds have been withdrawn, some participating provinces may allow members to return contributions to their fund, then transfer to Nova Scotia.

Application forms for reciprocal transfer (interprovincial) are available from NS Pension or on-line at [www.nstpp.ca](http://www.nstpp.ca).

## **Reinstating Past Service**

Members who left teaching in Nova Scotia and withdrew their contributions may reinstate this pensionable service. Contact NS Pension for an estimate.

## **Retiring and Insurance**

### **Optional Life Insurance**

There is a 24-month pre-existing condition clause applied. Retired members can apply provided they are under the age of 65 and in receipt of their Nova Scotia Teachers' Pension. At age 70, the benefit will reduce to a maximum of \$50,000.00. Coverage cancels at the end of the month you turn 85 years old. Conversion options are available. The monthly premium is deducted from the member's pension.

### **Provincial Master Life Policy**

If a member retires on a Nova Scotia Teachers' Pension under the age of 65, and upon written notification of retirement within 31 days, they can request to continue coverage of \$50,000 Life and \$50,000 Accidental Death and Dismemberment at the same coverage and premium to age 65. At age 65, the policy cancels. Conversion options are available. The monthly premium is deducted from the member's pension.

### **Retiree Life**

If you retire after age 65, when you reach age 65, you will automatically be given the option of purchasing Retiree Life insurance. The coverage is in the amount of \$10,000. In order to be eligible for Retiree Life insurance, you must have been insured under the Provincial Master Life Policy immediately prior to age 65. The monthly premium is 100% paid by the member and deducted from the member's pension.

You may convert to an individual plan of insurance, similar to this plan, subject to the terms and conditions of the Company's individual program and the rates will be those in effect at the time of conversion. This conversion must take place within 90 days of termination of coverage under the group policy.

## **Total Care Medical or Retired Teachers' Health Care Plan**

The premium charge is paid by the Province of Nova Scotia by contractual arrangement with the Nova Scotia Teachers Union.

The Health Plan for Retired Teachers is divided into two categories:

### **1) Retirement under age 65:**

Teachers who retire on a Nova Scotia Teachers' Pension prior to age 65 will be permitted to continue membership in the Total Care Medical Plan with the same benefits. At age 65, the member will be eligible to transfer to the Retired Teachers' Health Care Plan.

### **2) Retirement at or after age 65 or when the retired member attains the age of 65:**

A member who retires at or after age 65, or when the retired member attains the age of 65, is eligible for enrolment in the Retired Teachers' Health Care Plan.

Eligibility:

- a) A retired member must enroll in the plan within 60 days of retirement, or within 60 days of receipt of first pension payment, or age 65 if retired and holding a Total Care policy.
- b) If at the time of retirement, the member is insured under the spouse's plan, the 60 day time limit shall apply from the date the individual is no longer eligible for membership under the spouse's plan, except when the spouse's plan is cancelled by individual choice.

## **Total Care Dental**

Coverage is available to retired members in receipt of a Nova Scotia Teachers' Pension, provided the member was insured under the dental plan up to the date of retirement. The premium is deducted from your teachers' pension.

## **Long Term Disability**

Coverage cancels the end of the month following the last month in which salary is received.

## **NSED Travel Insurance**

The NSED Travel Insurance and trip cancellation continues after retirement with premiums deducted from your teachers' pension.

## **Automobile Insurance/Home Insurance**

If you were insured under either or both of these plans prior to retirement, coverage would continue with the deduction from your pension.

If you are not presently insured, you may request a quotation for coverage by contacting Johnson Incorporated at 902-453-1010 or Toll Free 1-800-588-3885.

More detailed information about Insurance is available at [nstuinsurance.ca](http://nstuinsurance.ca).

The NSTU Group Insurance Plan is administered for the Nova Scotia Teachers Union by:

JOHNSON INC.  
20 Hector Gate, Suite 200  
Dartmouth, NS  
B3B 0K3

## **The Retired Teachers Organization**

### **Membership**

Active Member: To qualify as an active member of the Organization, a person must pay the annual fee and meet one of the following criteria:

- (a) be in receipt of a pension pursuant to the *Teachers' Pension Act (Nova Scotia)*;
- (b) been in the Faculty or Professional Support bargaining unit of the Nova Scotia Community College and be in receipt of a pension pursuant to the Public Service Superannuation Plan;
- (c) been employed as a teacher pursuant to the Teachers' Provincial Agreement and be in receipt of a pension pursuant to the Public Service Superannuation Plan.

Affiliate A: A retired teacher shall be eligible if in receipt of a pension from outside Nova Scotia.



Affiliate B: A retired Faculty or Professional Support member in the Nova Scotia Community College who was hired after 2018.

Associate:

- (a) Be a surviving spouse/partner of a retired teacher.
- (b) A teacher shall be eligible subject to the approval of the RTO Executive.

### **Membership Fees**

Membership fees will be deducted from the first pension payment subject to prior authorization by the retiree. The prospective retiree will receive an RTO Membership Authorization form as part of their retirement package which is sent from NS Pension. The completed form is to be returned to the NSTU building and the retiree will receive an RTO card permitting the retiree to continue receiving the Deals and Discounts as regular NSTU members.

Retired Teachers Organization  
3106 Joseph Howe Drive  
Halifax, NS B3L 4L7

### **Rights, Privileges & Responsibilities**

- (a) Active members – the full rights, privileges and responsibilities of membership; or
- (b) Affiliate members – the full rights, privileges, and responsibilities of membership except the right to hold provincial office; or
- (c) Associate members – the full rights, privileges, and responsibilities of membership except in matters of voting and holding office.

### **Role of the Retired Teachers Organization Provincially/ Nationally**

- (a) Acts as a watchdog on all issues that may impact on retired teachers;
- (b) Exercises leadership in constitutional changes;
- (c) Represents the views of retired teachers during bargaining, i.e. health, pensions, etc;
- (d) Directs input into discussions affecting retired teachers;

- (e) Meets tri-annually with the NSTU President, Executive Director and Liaison Officer;
- (f) Meets tri-annually with Insurance Trustees;
- (g) Conducts tri-annual Branch Presidents' meetings;
- (h) Administers the Retired Teachers' Legacy Foundation Fund;
- (i) Represents Nova Scotia as a member of the Canadian Association of Retired Teachers (ACER-CART).
- (j) Works (collaborate) with like minded provincial organization such as the Senior Advisory Council of Nova Scotia and Community Transportation – Nova Scotia on important seniors' issues.

The President of the RTO is invited to attend the NSTU Annual Council as observer.

### **RTO Branches**

There are 23 Branches of the RTO throughout the province. The branches are: Annapolis, Antigonish/Guysborough, AER–Baie Sainte-Marie, Cumberland, Colchester-East Hants, Glace Bay District, Dartmouth, Halifax County, Halifax CPX, Halifax City, Inverness, Kings, Lunenburg County, New Waterford, Northside-Victoria, Pictou, Queens, Richmond, Shelburne County, Sydney and Area District, West Hants, Yarmouth/Argyle and Digby.

N.B. Must be a member of the Provincial RTO in order to take membership in a local branch.

### **Annual Meeting**

The Annual General Meeting of the RTO is held each year in late May or early June.

### **The Retired Teachers Legacy Foundation**

The RTO established a Legacy Foundation to honour the life and work of former teachers in the province of Nova Scotia. Among the many objects of the Legacy Foundation are the following:

- (a) The annual disbursement of interest on deposits is to benefit sick and/or challenged children younger than the age of 21 years;

- (b) The annual disbursement may benefit institutes which are defined as a society or organization funded for an educational, medical, social or similar purpose.

## **Working in Retirement**

While in receipt of a Nova Scotia Teachers' Pension and under the age of 71, there are limits on your ability to work in a position that would normally require you to be a member of the TPP. These positions include:

- Teachers in the Nova Scotia public school system;
- Administrators in the Nova Scotia public school system;
- Faculty at the Nova Scotia Community College;
- Professional Support bargaining unit members at the Nova Scotia Community College; and
- Teachers at APSEA.

These positions include both contract (term, probationary, and permanent) as well as substitute/casual positions.

The Regulations under the *Teachers' Pension Act* (Nova Scotia), allow those in receipt of a Nova Scotia Teachers' Pension to be employed on a limited basis. The current limitations can be found on the NSTU website under Member Info, Pension, Resources. If you work within these limitations, your pension will not be affected by working and pension contributions will not be deducted from your pay.

If you choose to work in such positions, you should maintain a record of days worked to ensure that you do not exceed the limitations as your pension will be stopped if you exceed the limitations. As your insurance benefits are tied to receiving a Teachers' Pension, you will be required to pay the full cost of your medical plan to maintain it and risk losing coverage under the life and dental plans. If you are considering exceeding the limitations, you should contact Johnson Inc to discuss your group insurance before exceeding the limitations.

# Contacts

## NS Pension

### *Physical Address*

Purdy's Wharf, Tower 2, Suite  
700  
1969 Upper Water Street  
Halifax, NS B3J 3R7

### *Mailing Address*

PO Box 371  
Halifax, NS B3J 2P8  
902-424-5070 (Local)  
1-800-774-5070 (Toll Free)  
[info@nspension.ca](mailto:info@nspension.ca)  
[www.nstpp.ca](http://www.nstpp.ca)

## Johnson Inc. (Insurance)

20 Hector Gate, Suite 200  
Dartmouth, NS B3B 0K3  
902-453-9543 (Local)  
1-800-453-9543 (Toll Free)

## Nova Scotia Teachers Union

3106 Joseph Howe Drive  
Halifax, NS B3L 4L7  
902-477-5621 (Local)  
1-800-565-6788 (Toll Free)  
[pension@nstu.ca](mailto:pension@nstu.ca)

## Retired Teachers Organization

3106 Joseph Howe Drive  
Halifax, NS B3L 4L7  
902-477-5621 (Local)  
1-800-565-6788 (Toll Free)  
[rtoadmin@staff.nstu.ca](mailto:rtoadmin@staff.nstu.ca)  
(RTO Administrative Support)  
[nstrtpresident@gmail.com](mailto:nstrtpresident@gmail.com)  
(RTO President)

## Teachers Plus Credit Union

36 Brookshire Court  
Bedford, NS B4A 4E9  
902-477-5664 (Local)  
1-800-565-3103 (Toll Free)  
[www.teachersplus.ca](http://www.teachersplus.ca)

# Appendix A – Reduction Factors

(Age 55 and at least 20 years of service)

Age	Years of Pensionable Service									
	29	28	27	26	25	24	23	22	21	20
55	4.8%	9.6%	13.2%	16.8%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%
56		4.8%	9.6%	13.2%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
57			4.8%	9.6%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%
58				4.8%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%
59					4.8%	4.8%	4.8%	4.8%	4.8%	4.8%

To use this table:

1. Assume your retirement month and birth month are the same and find the appropriate reduction;
2. For each month your birth month occurs before the retirement month:
  - a. If the reduction is 9.6% or less, subtract 0.4%; or
  - b. If the reduction is 13.2% or more, subtract 0.3%.

## Glossary:

Spouse, for the Teachers' Pension Plan, means either of 2 persons who are:

- Married to each other; or
- Domestic partners in accordance with the *Vital Statistics Act*; or
- Not married to anyone and have cohabited in a conjugal relationship for 3 consecutive years.

Spouse, for NSTU Group Insurance Plans, means either of 2 persons who are:

- Married to each other; or
- Not married to anyone and have cohabited in a conjugal relationship for 3 consecutive years.

YMPE means Year's Maximum Pensionable Earnings which is the first earnings ceiling for CPP.

YAMPE means Year's Additional Maximum Pensionable Earnings which is the second earnings ceiling for CPP.

YBE means Year's Basic Exemption which is the amount of income that is not pensionable for CPP.

*The current YMPE, YAMPE, and YBE can be found on the NSTU website under Member Info, Pension, Resources.*





**Nova Scotia Teachers Union**

**1-800-565-NSTU (6788) | (902) 477-5621**

**[nstu@nstu.ca](mailto:nstu@nstu.ca) | [www.nstu.ca](http://www.nstu.ca)**

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