



# Retirement Handbook

# Introduction

This booklet provides basic information about retiring from the University of Prince Edward Island. Inside you will find:

- information on how to prepare to retire,
- a summary of the steps you'll need to take to retire from UPEI,
- post-retirement benefits, and
- a summary of frequently asked questions.

Retirement decisions are among the most important you'll ever make. We urge you to consult your financial advisor before making any final decisions. UPEI Benefits Representatives cannot give financial advice or advice, but they can answer your questions.



## **Preparing for UPEI Retirement**

During the year or so before you wish to retire, you can prepare by doing the following:

1. *Talk to your Director, Supervisor, Dean, Chair* to confirm your retirement date. Together you will complete a notice of intent to retire and submit it to Employee Services located in Human Resources.
2. *Call Employee Services* to confirm retirement procedures, and receipt of the notice of intent to retire. Together you will book an appointment to discuss retirement options and paperwork needed to retire from UPEI.
3. *Meet with your tax advisor or financial planner.* We strongly recommend that you discuss your finances with a professional who can help you establish your long- and short-range goals.
4. *Contact past employers* to find out whether you qualify for retirement income under their plans.

## **The Election Process**

The information below illustrates the steps you'll need to take to receive monthly retirement income from the University of Prince Edward Island Pension Plan.

### Step 1

Contact Employee Services to book a meeting. Employee Services can review your Annual Pension Statement with you and answer benefit related questions, vacation entitlements etc.

### Step 2

Complete a notice of intent to retire. Your Director, Supervisor, Dean, Chair will need to sign the form before forwarding to Employee Services in HR. The form is located on the UPEI HR website (<http://www.upei.ca/hr/>).

### Step 3

Call Employee Services to ensure that the form is received and to book an appointment to discuss retirement options and paperwork needed to retire from UPEI.

### Step 4

Review your calculation and retirement package

This package contains: your pension options, application for retirement, banking information, tax forms, retirement benefit booklet, and retirement allowance (if applicable)

### Step 5

Make your election

Your election of pension option is an important one. Be sure that you understand your options before making any decisions.

#### Step 6

Return your completed package

After completing the package you will need to return the forms to Employee Services. In order to ensure that you receive your pension on the appropriate date, please have all the forms back within 4 weeks of your retirement date.

## **Post Retirement Benefits**

If you have had at least 5 years of service with UPEI prior to retirement you may elect to keep your supplemental health benefits in your retirement. The cost share that was in effect prior to your retirement is the cost share that will remain in your retirement. CIBC Mellon (the pension payers) will deduct the appropriate premium amount each month from your pension payment.

Your current benefit file will be moved to a retire class, this means that you will be issued new cards which will be mailed to your home address. If your address changes, please ensure that any healthcare provider that has your benefit information is notified of the change. If the healthcare provider uses the old information your claim will be rejected. Please note that the Board of Governors reserves the right to amend the Supplementary Health Care Benefits Plan (currently Medavie Blue Cross and SSQ) in accordance with the respective Collective Agreements.

## **Frequently asked Retirement Questions**

### **When am I eligible to retire?**

Your Normal Retirement Date, if you were born between January 1st and June 30th, is the July 1st following your 65<sup>th</sup> birthday. If you were born between July 1st and December 31st, your Normal Retirement Date is the January 1st following your 65th birthday.

### **Is there an opportunity to retire early?**

Retirement from the University is no longer mandatory as of your Normal Retirement Date. However, you may elect to retire at any time within ten years prior to your Normal Retirement Date, and if you are over 60 when you retire, you will receive your full pension. If you are under 60, your pension is reduced to reflect the longer period over which it is expected to be paid.

On October 1, 2001, the UPEI Board of Governors approved the addition of a Rule of 85 to the UPEI Pension Plan. If you are at least 55 years of age and if your 1) 'age' PLUS 2) 'pensionable service' total a factor of 85 or greater, you may retire without actuarial reduction prior to age 60.

**If I submit my Notice of Intent to Retire, can I decide at a later date not to retire?**

After a notice of intent to retire is submitted the recruitment process to replace your position and the retirement process commences, as such, once a notice has been submitted there is no opportunity to withdraw the form.

**When should I file my application for retirement?**

Employee Services would like to have all the paperwork back 30 days prior to your retirement, this ensures a smooth transition from employment income to pension income.

**What happens if I file my retirement application late?**

Your effective date will remain the same, however; your first payment may be delayed.

**What are my choices for pension options upon retirement ?**

**Option 1** is a **Joint and Survivor Pension** whereby provisions are made to provide percentage of your pension to your surviving spouse should you pre-decease them. Depending on the Joint and Survivor option chosen at the time of retirement, the amount of the pension payable will be adjusted accordingly. Generally, the greater the Joint and Survivor option chosen, the less the pension benefit. Should your spouse predecease you there is no opportunity to change your form of pension or to add a new spouse to the plan.

**Option 2** is a **Ten Years Certain and Life Thereafter Pension**. This means that you will receive your pension benefit for your lifetime. Should you die prior to receiving the pension benefits for a ten year period, your spouse and/or beneficiary will receive the benefits for the remainder of the ten year period. Under this option, no pension will be payable your spouse and/or beneficiary after the completion of the ten year period.

**Option 3** is for an **Optional Guarantee Period (other than 10 years)**. Should you choose this option, our Actuary will have to be consulted on the actual amount of benefits that would be payable and possibly any beneficiary.

**Option 4** is for a **No Guaranteed Period**. The pension amount is paid for your lifetime with no additional payments upon death to any beneficiary.

**Is my Pension Indexed?**

Your pension under the UPEI Plan offers you protection from future inflation after you retire. The level of indexing, the phrase used to describe inflation protection, depends upon investment earnings of the pension fund. If these earnings exceed a certain basic rate of return, a four year rolling average of 6%, the excess is used to provide indexing. Canada Revenue Agency Income Tax regulations stipulate that indexing cannot exceed the Consumer Price Index (CPI). There is a provision for catch-up for any year the plan is not indexed to full CPI. The decision for catch-up is at the discretion of UPEI.

**If I have a spouse must I choose a Joint & Survivor pension?**

A Joint and Survivor 60% pension is generally required when there is a spouse. Due to not having pension legislation in PEI there is an option to choose something less than Joint & Survivor 60%. Should you wish to select another pension option or a Joint and Survivor form of less or more than 60%, a waiver must be signed by both you and your spouse. Joint and Survivor pension options and the appropriate costs will be provided at the time of retirement.

**Will my Canadian Pension retirement pension reduce the amount of my UPEI Pension?**

UPEI pension is not bridged with Canada Pension so drawing your Canada Pension has no effect on your UPEI pension benefit.

**What is the difference in benefits post retirement?**

Supplemental Health – there is a pre-existing clause for travel outside of Canada that is not in the active plan.

Long term disability, Accidental Death and Dismemberment – ceases upon retirement or age 65 whichever is earlier.

Life Insurance – converts to a \$10,000 policy paid for by UPEI.

Health care spending account and Employee Family Assistance – ceases upon retirement .

**When will my pension cheques be issued?**

Pensions are paid on the first of every month and are directly deposited to your bank account, if the deposit date falls on a day that the bank is closed the payment is made the next business day.

**Will my UPEI card be valid once I retire?**

Employee ID cards can be converted to retiree cards by visiting the Sport Centre. The cards can be used for the Library, Sports Centre and as general ID.

**Can I continue to use my email account?**

Yes, you may continue to have access to your email account, your email account will continue to have the same address.

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NOTES

**UPEI** UNIVERSITY  
*of Prince Edward*  
**ISLAND**



