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Planning your retirement - Agenda

Section 1 - Pension plans
Section 2 - Retirement allowance
Section 3 - Group benefits
Section 4 - Tools
Section 1 – Pension plans

• Defined benefit pension plan
• Supplemental pension plan
• Retirement income
• Pension governance structure
• Statistics
• Required contributions (employee/employer)
• Date of retirement
• Working past the normal retirement date
• Benefit formula

• Examples
• Voluntary contributions
• Pension indexation
• Survivor benefit options
• Pension beneficiaries
The University of Ottawa Pension Plan is a defined benefit plan.

At the time of your retirement, you will receive a pension based on a formula that takes into account the average salary of your best 60 months of earnings, the number of years of credited service you have in the plan, and a reduction factor (if applicable).
SUPPLEMENTAL PENSION PLAN

• Not a registered pension plan.

• Provides to participating members a benefit in excess of the maximum pension benefits prescribed by the Income Tax Act (ITA) and subject to the provisions in the text of the supplemental plan.

• Eligibility: Average salary at the date of retirement must be above the average maximum salary set by the CRA ($159,210 in 2017).

• The supplemental pension plan provides a benefit up to the plan average maximum salary of $205,988, as at January 1, 2017.

• Maximum salary for the supplemental pension plan contributions is set at $220,403, as at January 1, 2017.
RETIREMENT INCOME

- University of Ottawa Pension Plan (RPP)
- Canada/Québec Pension Plan (CPP/QPP)
- Old Age Security (OAS)
- Other employer pension plan (RPP)
- Registered Retirement Savings Plan (RRSP)
- Retirement allowance
- Personal savings
- Tax-Free Savings Accounts (TFSA)
- Investment income
- Personal assets
- Employment/business Income
- Other plans
- Spousal income
PENSION GOVERNANCE STRUCTURE
Organizational chart of responsibilities and reporting relationships
PENSION GOVERNANCE STRUCTURE (cont.)

Pension fund investment:
- Policy recommendations
- Investment strategy
- Manager selection and oversight
- Performance objectives

Key advisors:
- Actuary
- Trustee/custodian
- Investment managers
- Consultants

Plan sponsor and administrator:
- Governance structure
- Policies (investment/funding)
- Plan terms and provisions

Pension plan administration:
- Member entitlements
- Member communications
- Member account administration
- Prescribed filings

Key advisors:
- Actuary
- Trustee/custodian
- Regulatory authorities
- Consultants
## University of Ottawa Pension Plan statistics for the calendar year 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Value as of December 31, 2016</td>
<td>$2,079,383,238</td>
</tr>
<tr>
<td>Pension benefits paid</td>
<td>$77,726,675</td>
</tr>
<tr>
<td>Withdrawals/transfers</td>
<td>$16,399,721</td>
</tr>
<tr>
<td>Employee contributions remitted</td>
<td>$24,779,678</td>
</tr>
<tr>
<td>Employer contributions remitted</td>
<td>$41,334,250</td>
</tr>
<tr>
<td>Employer special contributions remitted</td>
<td>$0</td>
</tr>
<tr>
<td>Transfer value in the plan</td>
<td>$1,162,157</td>
</tr>
<tr>
<td>Buy-back value in the plan</td>
<td>$806,321</td>
</tr>
<tr>
<td>Number of retirees/pensioners</td>
<td>2,205</td>
</tr>
<tr>
<td>Number of active members</td>
<td>3,540</td>
</tr>
<tr>
<td>Number of deferred members</td>
<td>816</td>
</tr>
</tbody>
</table>
## STATISTICS (CONT.)

<table>
<thead>
<tr>
<th>Activities for the calendar year 2016</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New members</td>
<td>298</td>
</tr>
<tr>
<td>New retirees (active and deferred members)</td>
<td>132</td>
</tr>
<tr>
<td>Deceased retirees</td>
<td>55</td>
</tr>
<tr>
<td>Terminated members</td>
<td>99</td>
</tr>
<tr>
<td>Deceased active members</td>
<td>5</td>
</tr>
<tr>
<td>Amortized buy backs</td>
<td>64</td>
</tr>
<tr>
<td>Withdrawals/transfers</td>
<td>68</td>
</tr>
</tbody>
</table>
REQUIRED CONTRIBUTIONS (EMPLOYEE/EMPLOYER)

A. Required employee contributions - 2017:
   - Up to the integration level* 6.05%
   - Above the integration level* 9.30%

B. Required employer contributions - 2017: 11.32%

*Integration level: The University pension plan provides for a pension that differs for the portion of earnings below and above a certain threshold referred to as the integration level. This threshold of earnings is based on the year's maximum pensionable earnings (YMPE) covered for purposes of determining the pension payable from the Canada and Quebec Pension Plan (CPP/QPP) and differs for service before and after January 1, 2004.

Pre-2004 service: Set at $31,790.

Post-2003 service: The integration level of $31,790 is indexed annually at a rate of 55% of the increase in the YMPE. Effective January 1, 2017, the integration level for post-2003 service is set at $38,538.

Year’s maximum pensionable earnings (YMPE): Amount set by the government each year and is used for contributions to (as well as benefits from) the CPP or QPP. In 2017, the YMPE is $55,300. Annual changes to the YMPE are based on increases in average Canadian industrial wages.
DATE OF RETIREMENT

Normal Retirement Date (NRD)

Administrative and support staff: First day of the month following your 65th birthday. Academic staff: July 1st following your 65th birthday.

However, you can retire earlier. In such a case:

| Factor 90 applies | 55 years | 60 years Unreduced | 65 years Normal |

<table>
<thead>
<tr>
<th>If you retire…</th>
<th>You are entitled to…</th>
</tr>
</thead>
<tbody>
<tr>
<td>At age 60 or later or when the total of your age and years of credited service is equal to or greater than 90 before age 60 (factor of 90).</td>
<td>An <strong>unreduced</strong> early retirement pension based on your credited service and your average salary at retirement.</td>
</tr>
<tr>
<td>After age 55, but prior to the earlier of age 60 or the factor of 90.</td>
<td>A <strong>reduced</strong> early retirement pension. Reduction based on the time between your retirement date and the date on which you turn 60 or the date on which you reach the factor 90; the earlier of these two dates is used.</td>
</tr>
</tbody>
</table>
WORKING PAST THE NRD

• Your membership in the pension plans continues and you accrue benefits past your NRD (age 65).

• You continue to contribute to the pension plan up to November 30\textsuperscript{th} in the calendar year in which you attain the age of 71. Your pension benefit is payable effective the month of December of that same calendar year.

• Prior to age 71, you must retire to commence your pension.

• There is no maximum pensionable service in the pension plan.
PENSION BENEFIT FORMULA

1 - Credited service to December 31, 2003 (pre-2004):
   i) $31,790 x 1.3% x credited service = a
   ii) (Average salary - $31,790) x 2% x credited service = b
   Total annual pension pre-2004 (a + b) = c

2 - Credited service after December 31, 2003 (post-2003):
   i) $38,538 x 1.3% x credited service = a
   ii) (Average salary - $38,538) x 2% x credited service = b
   Total annual pension post-2003 (a + b) = d

Total annual pension UO (c + d)

Minimum pension test: Members of the University pension plan are entitled to a minimum pension equal to 1.5% for each year of credited service (average salary \( \times \) 1.5% \( \times \) credited service).

CRA Maximum benefit: Effective January 1, 2017, the maximum amount of pension benefit under a registered defined benefit plan is $2,914.4 per year of pensionable service.

Average Salary: 60 best months up to the maximum salary of $159,210.30, prescribed by the CRA, as at January 1, 2017.

Credited Service: Credited service in the pension plan.

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PENSION CALCULATION EXAMPLE 1 - Minimum pension
(Service to December 31, 2016)

<table>
<thead>
<tr>
<th>AGE:</th>
<th>60 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVERAGE SALARY:</td>
<td>$40,000</td>
</tr>
<tr>
<td>SERVICE:</td>
<td>25 years</td>
</tr>
<tr>
<td>INTEGRATION LEVEL:</td>
<td>$31,790 / $38,538</td>
</tr>
</tbody>
</table>

1) PRE-2004 SERVICE
i) $31,790 x 1.3% x 12 = $4,959.24
ii) $8,210 x 2% x 12 = $1,970.40
$6,929.64

2) POST-2003 SERVICE
i) $38,538 x 1.3% x 13 = $6,512.92
ii) $1,462 x 2% x 13 = $380.12
$6,893.04

Total pension UO 1 + 2
$13,822.68

MINIMUM PENSION TEST ($40,000 x 1.5% x 25) = $15,000.00

3) Estimated CPP/QPP pension*
   maximum reduced ($13,370.04 - 36.00%) pension = $8,556.83

Total UO + CPP/QPP
$23,556.83

*CPP/QPP amounts are approximations. Actual amounts will be based on individual participation in the plans.
PENSION CALCULATION EXAMPLE 2 - Average salary = $90,000 (Service to December 31, 2016)

<table>
<thead>
<tr>
<th>AGE:</th>
<th>60 years</th>
<th>AVERAGE SALARY:</th>
<th>$90,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICE:</td>
<td>25 years</td>
<td>INTEGRATION LEVEL:</td>
<td>$31,790 / $38,538</td>
</tr>
</tbody>
</table>

1) PRE-2004 SERVICE
   i) $31,790 x 1.3% x 12 = $4,959.24
   ii) $58,210 x 2% x 12 = $13,970.40
      $18,929.64

2) POST-2003 SERVICE
   i) $38,538 x 1.3% x 13 = $6,512.92
   ii) $51,462 x 2% x 13 = $13,380.12
      $19,893.04

Total pension UO 1 + 2 = $38,822.68

MINIMUM PENSION TEST (90,000 x 1.5% x 25) = $33,750.00

3) Estimated CPP/QPP pension*
   maximum reduced ($13,370.04 - 36.00%) pension = $8,556.83

Total UO + CPP/QPP = $47,379.51

*CPP/QPP amounts are approximations. Actual amounts will be based on individual participation in the plans.
PENSION CALCULATION EXAMPLE 3 - Age + Service = 90
(Service to December 31, 2016)

<table>
<thead>
<tr>
<th>AGE:</th>
<th>55 years</th>
<th>AVERAGE SALARY:</th>
<th>$90,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICE:</td>
<td>35 years</td>
<td>INTEGRATION LEVEL:</td>
<td>$31,790 / $38,538</td>
</tr>
</tbody>
</table>

1) PRE-2004 SERVICE
i) $31,790 x 1.3% x 22 = $9,091.94
ii) $58,210 x 2% x 22 = $25,612.40

Total pension UO 1 + 2 = $34,704.34

2) POST-2003 SERVICE
i) $38,538 x 1.3% x 13 = $6,512.92
ii) $51,462 x 2% x 13 = $13,380.12

Total pension UO 1 + 2 = $19,893.04

MINIMUM PENSION TEST ($90,000 x 1.5% x 35) = $47,250.00

3) Estimated CPP/QPP pension* = $0.00

Total UO + CPP/QPP = $54,597.38

*CPP/QPP is only payable after age 60.
PENSION BENEFIT FORMULA - Supplemental plan

**Average salary**: 60 best months above the maximum pensionable earnings set by the CRA ($159,210.30 as at January 1, 2017) and below the maximum average supplemental plan earnings, set at $205,988 as at January 1, 2017.

1 - **Service to December 1998 (Pre-1999)**

i) 2017 Pre-1999 Dollar Limit = a

ii) 2017 Maximum CRA Pension Rule = b

Total annual pension pre-1999 (a - b) = c

2 - **Post 1998 service (1999 to 2003)**

i) $31,790 x 1.3% x credited service = a

ii) (Average salary - $31,790) x 2% x credited service = b

iii) 2017 Maximum CRA pension x credited service = c

Total annual pension post 1998 ((a + b) - c) = d

3 - **Post 2003 service (2004 to 2007; excluding years after 2007)**

i) $38,538 x 1.3% x credited service = a

ii) (Average salary - $38,538) x 2% x credited service = b

iii) 2017 Maximum CRA pension x credited service = c

Total annual pension post 2003 ((a + b) - c) = e

Total annual pension UO Supplemental Plan = (c + d + e )*

* An annual pension of at least 10% of the current YMPE will be payable otherwise the commuted value will be payable as a taxable lump sum

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**PENSION CALCULATION EXAMPLE 4a - High salary**  
(Service to December 31, 2016)

<table>
<thead>
<tr>
<th>AGE:</th>
<th>60 years</th>
<th>AVG. SAL.:</th>
<th>$170,000</th>
<th>MAX CRA SAL.:</th>
<th>$159,210.30</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICE:</td>
<td>25 years</td>
<td>INTEG. LEV.:</td>
<td>$31,790 / $38,538</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) PRE-2004 SERVICE

i) $31,790 x 1.3% x 12 = $4,959.24

ii) $138,210 x 2% x 12 = $33,170.40  $38,129.64

2) POST-2003 SERVICE

i) $38,538 x 1.3% x 13 = $6,512.92

ii) $131,462 x 2% x 13 = $34,180.12  $40,693.04

Total pension UO 1 + 2  
$78,822.68

**MINIMUM PENSION TEST** ($170,000 x 1.5% x 25) = $63,750.00

**MAXIMUM CRA PENSION RULE** ($2,914.44 x 25) = $72,861.00

3) Estimated CPP/QPP pension*
   maximum reduced ($13,370.04 - 36.00%) pension = $8,556.83

Total UO + CPP/QPP = $81,417.83

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### PENSION CALCULATION EXAMPLE 4b - Supplemental benefit (Service to December 31, 2016)

<table>
<thead>
<tr>
<th>AGE:</th>
<th>60 years</th>
<th>AVERAGE SALARY:</th>
<th>$170,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICE:</td>
<td>25 years</td>
<td>INTEGRATION LEVEL:</td>
<td>$31,790 / $38,538</td>
</tr>
<tr>
<td>MAX PRE-1999:</td>
<td>$2,711.12</td>
<td>MAX CRA SALARY:</td>
<td>$159,210.30</td>
</tr>
<tr>
<td>MAX CRA:</td>
<td>$2,914.44</td>
<td>MAX AVERAGE SALARY:</td>
<td>$205,988</td>
</tr>
</tbody>
</table>

1) PRE-1999 SERVICE
   i) \((2,711.12 - 2,914.44) \times 7\) = \$0.00

   i) \(31,790 \times 1.3\% \times 5\) = \$2,066.35
   ii) \(138,210 \times 2\% \times 5\) = \$13,821.00 $15,887.35
   ii) \(2,914.44 \times 5\) = \$14,572.20 \$1,315.15

3) POST-2003 SERVICE (2004 to 2007; excluding 2008 to 2016 - 9 years)
   i) \(38,538 \times 1.3\% \times 4\) = \$2,003.98
   ii) \(131,462 \times 2\% \times 4\) = \$10,516.96 $12,520.94
   ii) \(2,914.44 \times 4\) = \$11,657.76 \$863.18

**Total annual pension UO (1 + 2 + 3)** $2,178.33

The supplemental pension plan benefit will be paid as an annual pension if the amount exceeds 10% of the YMPE, which is $5,530/year ($55,300 x 10%). If the annual pension is less than 10% of the YMPE, the commuted value of the annual pension is paid as a taxable lump sum.
VOLUNTARY CONTRIBUTIONS

• For pre-1988 service, $200 per year of pensionable earnings prior to 1988 (excluding buy-back and transferred service).
• Payable at termination, death, retirement or for pension service buy-back.
• RRSP transfer or cash/taxable option.

Estimated value of voluntary contributions:
• 30 years of service at December 31, 2016: $2,105.83
  – Initial amount of $200
• 35 years of service at December 31, 2016: $12,634.94
  – Initial amount of $1,200
PENSION INDEXATION

A) Three-step indexation formula based on inflation from previous year
   Consumer Price Index (CPI) – October 1st to September 30th

   1. Full indexation if inflation is less than 2%.
   
   2. 2% automatic indexation if inflation is between 2% and 3%.
   
   3. If inflation is greater than 3%, inflation minus 1% (maximum 8%).

B) Special ad hoc indexation
   – Annual revisits of percentage not accorded in items 2 and 3 above.
SURVIVOR PENSION BENEFIT TO THE SPOUSE AND GUARANTEE PERIODS

Normal form
• Five year guarantee / 60% survivor benefit to the spouse. *The guarantee period begins at retirement.*

Your death occurs *during* the guarantee period:
• If your spouse survives you, your spouse receives your full monthly pension until the end of the five year guarantee period and then the pension reduces to 60% for his/her lifetime.
• If there is no surviving spouse, a lump sum representing the value of the remaining guaranteed monthly payments is paid to your beneficiary or to your estate.

Your death occurs *after* the guarantee period:
• If your spouse survives you, your spouse receives 60% of your monthly pension for his/her lifetime;
• If there is no surviving spouse, the pension payments cease; no death benefit is paid to your beneficiary or estate because the guarantee period has expired.
Optional forms of pension
• 0, 10, or 15 year guarantee / 60% survivor benefit.
• 0, 10, or 15 year guarantee / 100% survivor benefit.

Two fundamental differences in the forms: how much you receive for your lifetime, and how much your eligible spouse or beneficiary receives in the event of your death.

Your lifetime pension payable under the normal form of pension (normal pension) will be adjusted on an actuarially equivalent basis to reflect the guarantee period and survivor benefit chosen.

Note: There is only one choice at retirement.
PENSION BENEFICIARIES

Pre-retirement (pension benefit value payable)

1. Spouse
   The person married to you in a religious or civil ceremony or with whom you have been living in a relationship that resembles a marriage for at least one year and whom you have designated in writing to the University as your spouse.

2. Designated beneficiary or Estate

Post-retirement (survivor benefit payable based on choice)

1. Spouse
   Same as above.

2. Children
   An eligible dependent child as per the provisions of the plan is your child, as defined by the Family Law Act, under 19 at retirement whom you support or under age 27 and a full-time student in a recognized education institution or is any age and physically or mentally disabled.
Section 2 - Retirement allowance

• Formulas
• Examples
• Phased retirement
• Retirement allowance - Notice of retirement
RETIRING ALLOWANCE

Formula for all administrative and support staff employee groups (based on the uOttawa policy 53 or collective agreements)

Policy 53, Section 42 of SSUO-OSSTF agreement, Section 36 of PIPSC agreement

A) Under age 60 without factor 90
   2003 standard salary class at retirement X .004 X UO service X 5

B) Age 60 to 65 (NRD) or under age 60 with factor 90
   2003 standard salary class at retirement X .006 X UO service X MIN (5, NRD-ARD)

Section 35 Local 772-A, Section 24 Local 772-B
– Formula without factor 90 and less than 60 years of age: $180 X UO service X 5
– Formula with factor 90 or age 60 to 65 (NRD): $215 X UO service X MIN (5, NRD-ARD)

Formula for academic employees (based on section 40.3 of your collective agreement)

To be eligible before age 60, must have reached the factor 90.
- Formula: $800 X UO Service X MIN (5, NRD-ARD)

Eligible transfer to an RRSP, as per the Revenue Canada Agency tax sheltering policy, paragraph 60(j.1) of the Income Tax Act: $2,000 for each year of service (pre-1996) plus $1,500 for each non-contributory year of service pre 1989 may be transferred to an RRSP. If you have accumulated RRSP room, you may be able to transfer more than the eligible amount to your RRSP.

- NRD: Normal Retirement Date.
- ARD: Actual Retirement Date.
# RETIRING ALLOWANCE - Examples as at December 31, 2016

<table>
<thead>
<tr>
<th>Class</th>
<th>Age/service (Formula) =</th>
<th>Total</th>
<th>Eligible amount</th>
<th>Non-eligible amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Union</td>
<td>58/25 ($69,305*.004<em>25</em>5)= $34,653</td>
<td></td>
<td>$8,000</td>
<td>$26,653</td>
</tr>
<tr>
<td>NM1</td>
<td>60/25 ($69,305*.006<em>25</em>5)= $51,979</td>
<td></td>
<td>$8,000</td>
<td>$43,979</td>
</tr>
<tr>
<td></td>
<td>62/25 ($69,305*.006<em>25</em>3)= $31,187</td>
<td></td>
<td>$8,000</td>
<td>$23,187</td>
</tr>
<tr>
<td>SSUO/</td>
<td>58/25 ($43,891*.004<em>25</em>5)= $21,945</td>
<td></td>
<td>$8,000</td>
<td>$13,945</td>
</tr>
<tr>
<td>PIPSC 8</td>
<td>60/25 ($43,891*.006<em>25</em>5)= $32,918</td>
<td></td>
<td>$8,000</td>
<td>$24,918</td>
</tr>
<tr>
<td></td>
<td>62/25 ($43,891*.006<em>25</em>3)= $19,751</td>
<td></td>
<td>$8,000</td>
<td>$11,751</td>
</tr>
<tr>
<td>SSUO/</td>
<td>58/25 ($54,768*.004<em>25</em>5)= $27,384</td>
<td></td>
<td>$8,000</td>
<td>$19,384</td>
</tr>
<tr>
<td>PIPSC 10</td>
<td>60/25 ($54,768*.006<em>25</em>5)= $41,076</td>
<td></td>
<td>$8,000</td>
<td>$33,076</td>
</tr>
<tr>
<td></td>
<td>62/25 ($54,768*.006<em>25</em>3)= $24,646</td>
<td></td>
<td>$8,000</td>
<td>$16,646</td>
</tr>
<tr>
<td>Local</td>
<td>58/25 ($180<em>25</em>5)= $22,500</td>
<td></td>
<td>$8,000</td>
<td>$14,500</td>
</tr>
<tr>
<td>772 A-B</td>
<td>60/25 ($215<em>25</em>5)= $26,875</td>
<td></td>
<td>$8,000</td>
<td>$18,875</td>
</tr>
<tr>
<td></td>
<td>62/25 ($215<em>25</em>3)= $16,125</td>
<td></td>
<td>$8,000</td>
<td>$8,125</td>
</tr>
<tr>
<td>APUO</td>
<td>58/25 ($800<em>25</em>0)= $0</td>
<td></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>60/25 ($800<em>25</em>5)= $100,000</td>
<td></td>
<td>$8,000</td>
<td>$92,000</td>
</tr>
<tr>
<td></td>
<td>62/25 ($800<em>25</em>3)= $60,000</td>
<td></td>
<td>$8,000</td>
<td>$52,000</td>
</tr>
</tbody>
</table>
PHASED RETIREMENT (APUO members only)

• A transition to retirement benefit is available to APUO members who wish to have a reduced workload in the last years before their normal retirement date.

• This is available to members who are eligible to receive the benefit as indicated in section 40.3.1 of the collective agreement (the normal retirement date is defined as July 1st following age 65).

• Allows members to bring their regular salary up to their nominal salary using portions of the severance payment payable under section 40.3.1.

• During the transition period, members accumulate full pension credits as per the provision of the pension plan by contributing up to the level of their nominal salary.

• Once the agreement is signed, this commitment to retire is irrevocable.
PHASED RETIREMENT PENSION CALCULATION APUO 40.3 - Example

<table>
<thead>
<tr>
<th>AGE:</th>
<th>60 years</th>
<th>NOMINAL SALARY:</th>
<th>$140,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>UO SERVICE:</td>
<td>30 years</td>
<td>FUTURE PENSION SERVICE:</td>
<td>33 years</td>
</tr>
<tr>
<td>REDUCED WORKLOAD:</td>
<td>50%</td>
<td>TOTAL PAYABLE SALARY:</td>
<td>75%</td>
</tr>
<tr>
<td>TRANSITION DATE:</td>
<td>July 1, 2017</td>
<td>RETIREMENT DATE:</td>
<td>July 1, 2020</td>
</tr>
</tbody>
</table>

1. Severance calculation at age 60 as at July 1st, 2017
   Calculation is determined by the Pension sector at the transition date
   $800 X 30 years UO service X 5 years before normal age of retirement = $120,000

2. Calculation of severance payable (objective: 75% of total salary)
   Annual maximum receivable as per nominal salary: 75% X $140,000 = $105,000
   Annual payable as per reduced workload: 50% X $140,000 = $70,000
   Annual Severance distribution = $35,000

   $35,000 is paid each year as salary for a period of 3 years prior to retirement for a total of $105,000; the objective will therefore be reached.

3. Calculation of balance due at retirement, if applicable
   Severance calculation in step 1 minus annual distribution: $120,000 - $105,000 = $15,000
   The difference at the end of the transition period will be transferable/paid at retirement and may be tax exempt as a retirement allowance, under paragraph 60(j.1) of the Income Tax Act.

4. Pension Benefit calculation at age 63 as at July 1st, 2020
   Calculation is determined by the Pension Sector and is a projected estimate at retirement as per the pension plan provisions.

5. Confirmation with the member
   Form to be completed to confirm and communicate amounts to payroll.

uOttawa.ca
RETIRING ALLOWANCE - NOTICE

Non-unionized administrative staff - Policy 53
Non-unionized administration staff members with salary classes NC1 to NC8 must give a notice of retirement at least three months prior to departure. Administration staff members with salary classes NM1 to NM5 must give a notice of retirement at least six months prior to departure.

SSUO-OSSTF, section 42.05
Employees shall give three (3) months of notice that they are retiring in order to receive the retirement allowance.

PIPSC, section 32.05
Employees shall give three (3) months of notice that they are retiring in order to receive the retirement allowance.

APUO, section 38
A faculty or language teacher member will notify her dean of her resignation in writing no later than four (4) months prior to its effective date. The effective date of departure should normally coincide with the end of a term. In the case of retirement, her resignation should normally be effective June 30th.

A librarian or counsellor member will notify the university librarian or her dean of her resignation in writing no later than two (2) months prior to its effective date.

Administration:
Please advise your immediate supervisor in writing that you will be retiring along with your chosen retirement date, by the required deadlines specified in the collective agreement or the University’s policies if different than above. Send a copy of your notice to the Pension sector at hrpension@uOttawa.ca. The Pension sector will acknowledge receipt by email and subsequently contact you to schedule a meeting within the three months prior to your retirement date.

Employees are encouraged to give as much notice as possible in order to help the faculty or service with its budget and succession planning. Such notice is irrevocable.
Section 3 - Group benefits

• Definition

• Group insurance benefits (contract 14101)
  – Hospital, health and dental insurance
  – Life insurance
  – Health care spending account (HCSA)

• Other benefits
GROUP BENEFITS AT RETIREMENT

Definition: Benefits offered to retirees in addition to their pension benefit. They may include:

- group insurance (health, dental, life, hospitalization, etc.)
- reimbursement of tuition fees
- a health care spending account
- access to other services at the University of Ottawa
# Retired support staff – Changes to the group insurance plan
(effective May 1, 2017)

<table>
<thead>
<tr>
<th>Coverage type</th>
<th>Coverage before May 1, 2017</th>
<th>New coverage effective May 1, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extended health plan</td>
<td>Out-of-Canada, lifetime maximum at $500,000.</td>
<td>Revised Out of Canada, lifetime maximum at $5,000,000.</td>
</tr>
<tr>
<td>Vision care - No coverage</td>
<td></td>
<td>Introduction of vision care plan as follows:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Coverage of $250 every two years for vision care expense (apart from vision examination)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Coverage of $80 every two years for vision examinations</td>
</tr>
<tr>
<td>Paramedical coverage at $300 per year</td>
<td></td>
<td>Paramedical coverage at $400 per year for the following groups:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Chiropractor, naturopathy and osteopathy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Massage therapy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Physiotherapy and speech language therapy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Podiatry</td>
</tr>
<tr>
<td>Prescription drugs</td>
<td>Generic substitution: Not specified</td>
<td>Change to include generic substitution (automatic); generic drug equivalents is dispensed when available unless otherwise prescribed by the treating physician.</td>
</tr>
<tr>
<td>Psychological services</td>
<td>$50 per visit up to a maximum of $1,000 per year</td>
<td>Psychological services: Up to 50% per visit to a maximum of $1,000 per year</td>
</tr>
</tbody>
</table>
Retired academic staff – Group insurance benefits changes for those retiring after May 1, 2017

• Academic staff who elect to take their retirement after May 1, 2017 will be able to continue their participation in the extended health and dental plans until the first day of July after they attain the age of 65.

• Retired academic staff with a retirement date on or before May 1, 2017, are covered by the retiree extended health and dental plans in place at the time of their retirement.

• Retirees pay the premiums and they keep the same extended health and dental coverage they had prior to commencing retirement.
GROUP INSURANCE
Rates effective May 1, 2017 (before tax)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Academic staff</th>
<th>Administrative and support staff</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single</td>
<td>Family</td>
</tr>
<tr>
<td>Extended health</td>
<td>$85.28</td>
<td>$219.06</td>
</tr>
<tr>
<td>Dental care – Basic</td>
<td>$23.40</td>
<td>$70.68</td>
</tr>
<tr>
<td>Dental care – Optional</td>
<td>$13.66</td>
<td>$46.32</td>
</tr>
<tr>
<td>Hospital room - Semi-private</td>
<td>Included in extended health coverage for retirements after May 1, 2017</td>
<td>$10.60</td>
</tr>
<tr>
<td>Hospital room - Private</td>
<td>$14.92</td>
<td>$32.62</td>
</tr>
</tbody>
</table>

**Note:** Retiree pays monthly premiums.

**Administrative and support staff:** Extended health and dental coverage remain in effect until the first of the month following or coinciding with the 65th birthday.

**Academic staff:** Extended health and dental coverage will remain in effect until June 30th following or coinciding the 65th birthday.

**After age 65, benefits are available through:**
- Municipal Retirees Organization of Ontario (MROO)
- Manulife Financial (FollowMe/CoverMe)
- Retired Teachers Insurance Plan (RTIP-OTIP)

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LIFE INSURANCE

Life Insurance Volume

If employee became insured:

• Prior to May 1, 1971
  – 50% of salary at retirement (Max $100,000 of coverage)

• On or after May 1, 1971, but prior to July 1, 1976
  – 2.5% of salary at retirement per year of service up to 20 years (min. $2,000, max. $100,000)

• On or after July 1, 1976
  – Up to and including 10 years of service = $2,000
  – More than 10 years of service = 10% of salary at retirement (min. $2,000, max. $5,000)

Premiums: Monthly premiums are paid by the University and are a taxable benefit for the retiree, with a T4A slip issued.
HEALTH CARE SPENDING ACCOUNT (HCSA)

Administrative and support staff retirees:
- In effect since May 1, 2002.
- Applies to employees with at least 10 years of employment service.
- Annual Health Care Spending Account of $96.
- Contract employees are not eligible.

Academic retirees:
- In effect since May 1, 2001
- Annual Health Care Spending Account of $1,350 as at January 1, 2017
OTHER BENEFITS

• Tuition fee exemption for life for the employee and eligible dependants until retired employee’s 70th birthday (not applicable for contract employees).
• Library services
• Sports services
• uOttawa email: This will be the primary form of future communication with retirees.
Section 4 - Tools

• Personal Statement and Annual Report
• Human Resources website
• Pension plan fact sheets
• Personalized website
• Financial planner
www.uottawa.ca/human-resources/

Pension plan

The plans
- Summary - The basic pension plan
- The basic pension plan
- The supplemental pension plan

Thinking of retiring soon?
- Notice of retirement
- Early retirement
- Retirement not mandatory
- Annual increase in the Consumer price index (inflation protection)
- Other retirement income
- Survivor benefits in the university plan
- Retirement allowance
- Pension plan trustee
- Group insurance coverage for retired members

Your personal statement
- Your personal retirement information

Contact us in the following situations
- Change in marital status
- Death of an active employee or a retiree
- Marriage breakdown
- If you leave the University before your retirement

Plan administration
- Definition of spouse
- Pension Plan Financial Statements
- Treasury and Pension Fund
- Pension Plan Committee
- Audit Committee
- Pension Governance Structure
- Annual report and other publications
- Forms
PENSION PLAN FACT SHEETS

Fact Sheets

Transferring pension service from another employer to the University’s pension plan (PDF)

This fact sheet provides information on transferring pension service from your previous employer’s pension plan to the University’s pension plan – outlining the eligibility, things to consider and how the process works.

Grow-in benefits (PDF)

This fact sheet explains what grow-in benefits means and sets out the conditions under which a member would be entitled to improved pension benefits.

The importance of a power of attorney and your University of Ottawa Pension Plan (PDF)

This fact sheet explains what is a power of attorney. It also highlights important details you should take into consideration when making your decision.

Your pension options – if you leave the University before retirement (PDF)

This fact sheet explains your pension options if you leave the University before age 55. It also highlights important details you should take into consideration when making your decision.
Welcome to the Pension Plan personalized information Web site!

Please enter your Employee number and Password and click Enter.

- Employee number
- Password

Log in as an administrator

» What is your employee number?
» What is your initial password?
» What if you forget your password?
» Download the user guide

To protect your information, remember to click Logoff when you finish your session. Your session will end automatically if there has been no activity for 20 minutes.

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FINANCIAL PLANNER (HORIZON)

What do you want to do?

I want an estimate of my total income at retirement
Estimate your retirement income from all sources and see how close you are to your goals.
All data related to your personal situation in the company plans are already in, you just need to enter information on your personal savings.

I want to learn about retirement planning
Learn everything you need to know about retirement planning, from setting your goals to your different retirement income sources.

Go to the Learning zone

I want to know how much I will need at retirement
Use a worksheet to do a preliminary retirement budget that will help you set your retirement income goals.

Go to the Retirement budget worksheet

I want to know what type of investor I am
Find out how you should invest your retirement savings based on your personal situation and tolerance for risk.

Go to the Investor profile
QUESTIONS